

THE NATION'S BUSINESS

January



1925

Where Government Ownership Fails

By ARTHUR T. HADLEY, a distinguished economist and educator.

The Case for Business

By RICHARD F. GRANT, President of the United States Chamber of Commerce.

For Sale: Speed—Who Will Buy?

CLIFFORD A. TINKER, an expert on aviation, draws a fascinating picture of the commercial possibilities of the dirigible.

Thieving Grows, But Why?

W. W. SYMINGTON, Secretary of the United States Fidelity and Guaranty Company, has a report to make on the spread of commercial crookedness.

And What of the Motor Industry?

ALVAN MACAULEY, President of Packard, discusses the situation with an added contribution by the head of General Motors

Map of the Nation's Business, page 52

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The Chamber's New Home in Pictures, pages 35 to 38



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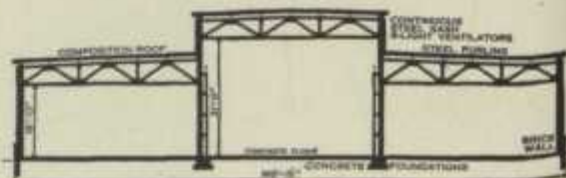
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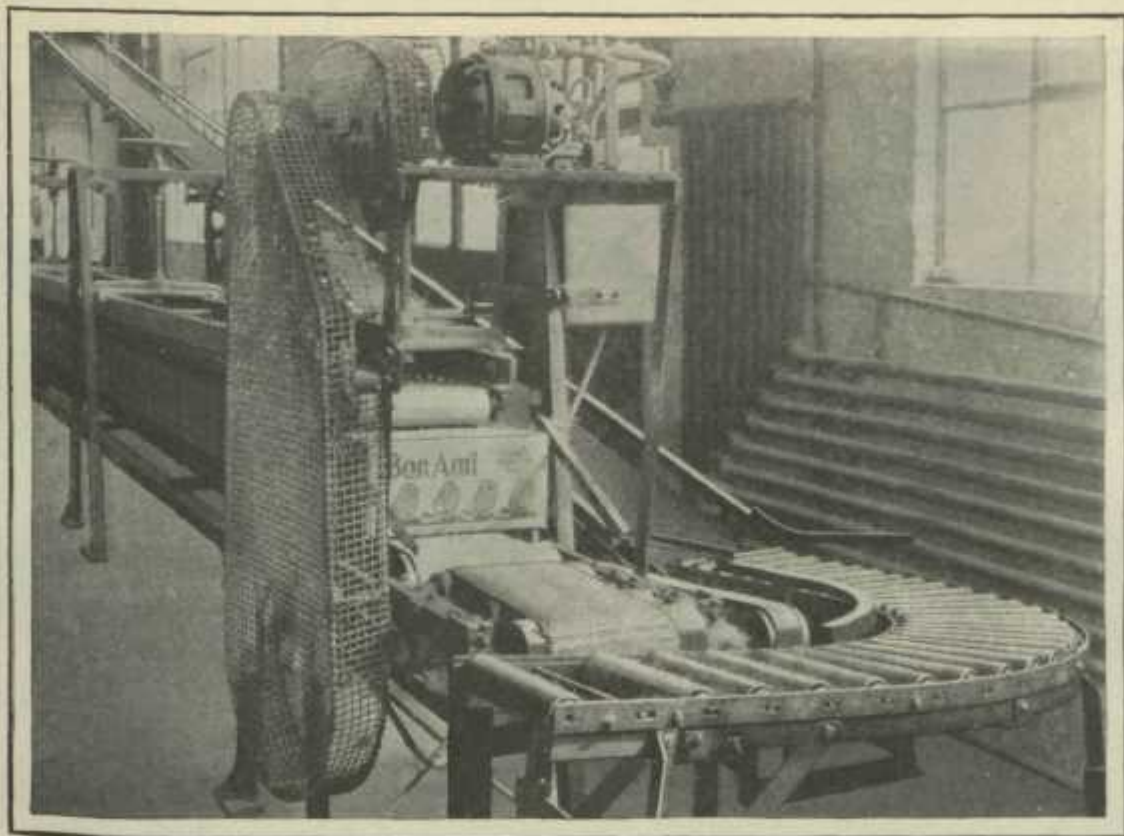
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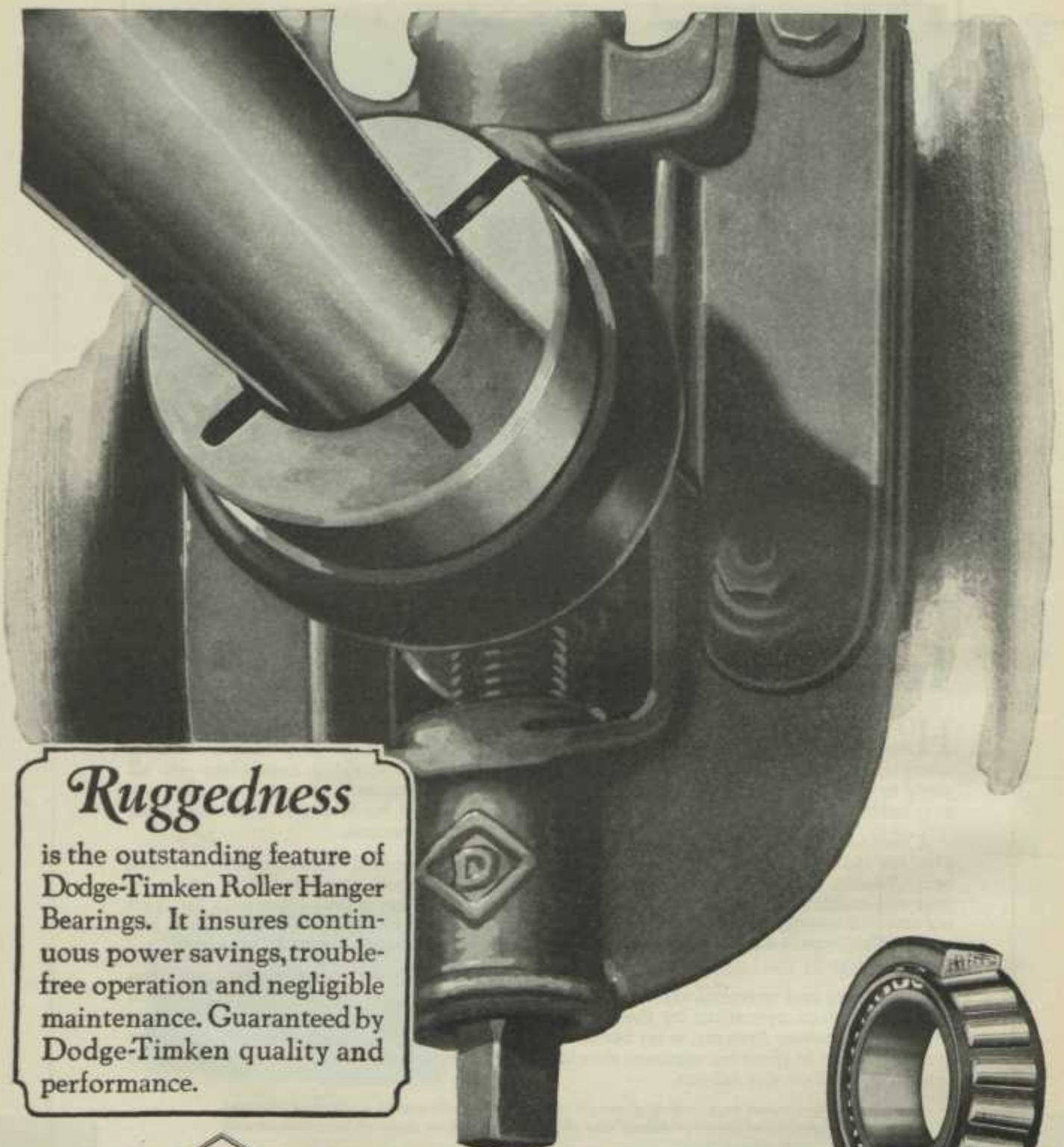
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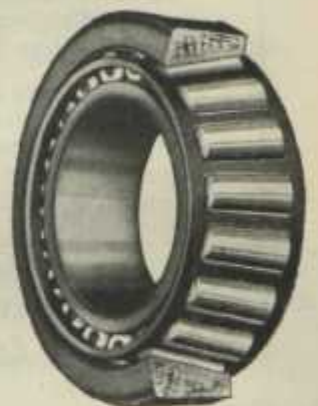


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Through the EDITOR'S SPECTACLES

"I HAVE just finished reading your column in the December issue of THE NATION'S BUSINESS with much pleasure and interest," writes Wm. L. Hipsley in a letter from Table Grove, Ill.

"It reminded me of a recent lecture of one of our more or less famous men in which he said 'We murdered our former President Woodrow Wilson by our unjust criticism and again we broke the heart of the other late lamented President Harding by a similar process and then gave him five car loads of flowers to show him how much we loved him.'"

"I fear that this statement coupled with what your article refers to has too much truth to make the average American feel comfortable."

"I am indeed glad you have the vision to see and the pluck to speak as you have and trust it may find other hearts as it has found mine."

"I thank you for it and believe it will make us all more thoughtful of the public men we call to serve us."

THE NATION'S BUSINESS is many things to many minds. Our mail attests this. Consider the varied qualities which appeal to our readers:

ROMANCE: "Ordinarily, business magazines are more or less dull and prosaic, but THE NATION'S BUSINESS is as attractive and fascinating as a fiction magazine. Your publication has the knack of setting forth the romance that is to be found in every line of business."—Robert E. Wait, Little Rock, Ark.

WHOLESOME THOUGHT: "Have greatly benefited by reading the wholesome thought contained in your magazine."—L. H. Carruth, Fidelity and Deposit Co. of Maryland.

ENGLISH FOR MEXICO: "Your main subscribers down here read the magazine religiously, practicing their English by it."—William Llewellyn Saunders, secretary American Chamber of Commerce, Mexico City.

POPULAR ECONOMICS: "Your reading matter will do more to put business in a proper light before our building mechanics, and laboring people in general, than anything we know of."—Oliver Woodworth Construction Co., New London, Conn.

INSPIRATION: "It is an inspiration to have your magazine coming in once a month with its valuable information."—M. M. Smith, Dock & Mill Co., North Tonawanda, N. Y.

TEXT BOOK: "I use NATION'S BUSINESS for my advanced business English classes."—Dr. Morris E. Speare, University of Maryland.

BOTH BIG AND SMALL BUSINESS: "The Chamber and THE NATION'S BUSINESS represent the best interests of the large and small business men of the nation."—W. F. Malone, manager Dothan Guano Co., Dothan, Ala.

INTEGRITY: "Efficiency, responsibility, integrity and self-education are expressed on every page of NATION'S BUSINESS."—Daily Republican, Fresno, Calif.

HUMAN INTEREST: "The human side of business information is one of the biggest virtues of your magazine."—W. D. Thrane, Charles A. Schieren Co., New York.

PLEASURE: "I look forward each month to

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.



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the pleasure of NATION'S BUSINESS."—R. G. Sproul, comptroller University of California.

BUSINESS AID: "I was hesitating about my subscription until I found material of particular interest and helpfulness in my business."—H. G. Beckwith, Beckwith-Wickman Realty Co., Portland, Oreg.

MONEY SAVER: "THE NATION'S BUSINESS 'blue stripe' article saved me \$1,000 in one department by waking me up."—A New England manufacturer, quoted in *Current Affairs*.

SINCERITY: "There is stimulation in the breadth and sincerity of NATION'S BUSINESS."—Edmund Simmonds, Great Western Sugar Co., Scottsbluff, Nebr.

Somehow we like that last one best of all.

SOME old friends and some new ones on the contributors' list this month.

Dr. Arthur Twining Hadley, former president of Yale. Author, economist and educator, he has won distinction in each line.

Clifford Tinker, who signs the opening article, isn't a new name to our readers. An engineer by profession, he was in the Navy's Air Service during the war and after. He was one of the two survivors of the ill-fated American crew that went to England to bring back the ZR-2.

W. W. Symington is secretary of the United States Fidelity and Guaranty Company. The question of the growth of commercial dishonesty is a disturbing one, not only to those who have a direct interest in it but to all of us as citizens and business men. The answer to the question is still far away, but Mr. Symington has made a notable contribution to the question of costs.

The movies have a problem of distribution as well as of production. Terry Ramsaye, who might be styled "the historian of the movies," discusses that problem in the article called "A Tough Job, Moving the Movies."

Alvan Macauley, president of the Packard Motor Car Company, James E. Boyle, George E. Roberts, Henry Schott, Frank Greene, Alfred P. Dennis—these are some others who help us make what we think is a good number with which to start off 1925.

THIRTY centuries ago a temple stood on Mount Moriah. That temple is no more. But it was a marvel of the ancient world, and comes down to this day in a glamorous haze of myth and legend. It was "the temple of snow and gold." Small it was—barely ninety feet from east to west, and thirty feet from north to south—yet so richly laden with ornament and decoration that it required the labors of thousands of workmen for more than twenty years . . . the rough and the smooth ashlar from underground quarries . . . the fragrant cedars from Lebanon . . . silver from the Rio Tinto mine in Spain . . . gold from another mine . . . jewels from Babylonia and Arabia . . . draperies of Tyrian purple . . . of such was Solomon's temple.

But romance is not denied the works of the great builders of this day. Nor have dignity and beauty been lost to the pressing practicalities of modern civilization. And so it is that business men have made a temple of their council house. That temple was built by members of the Chamber of Commerce of the United States. For its fabric they provided black marble from Belgium . . . white marble from Alabama . . . travertine from Italy . . . Crazannes Anteor stone and Pouillenay Rose stone from France . . . limestone from Indiana . . . teak wood from India . . . cement from Maryland . . . lime from Virginia . . . tile from Illinois . . . terra cotta from New York . . . metal work



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from Connecticut . . . and many beautiful materials and things.

So there was romance in the building of this later temple. And this temple is a monument to the faith of the men who put their time and their means so devotedly to its building. That faith does not perish with the substance of its expression. It is a quality for the ages.

IN SCRANTON is the plant of the Scranton Lace Company, producer of "Lustre Lace." In New York lives Mr. Earl Carroll, producer of "Vanities." The company advertises its laces. Mr. Carroll looks for things that will advertise his show. He was looking when on his vacation at the seashore—looking when he picked up a magazine for women and idly turned the pages. And in that magazine he found something that gave him a new idea—"Lustre Lace" in a scene that would feast the eye on the beauty of lace.

He went to the offices of the company. He outlined the scene he had in mind. His requirements were promptly satisfied. The desired material was provided in silver, gold, magenta, black, orange, and green. Costumes were made up in the first five shades, and stage drapings in all six. The scene is vivid and scintillating with life and color, with the sheen of lustrous fabric—it is truly "The Land of Lace."

Probably the company never thought of interesting a theatrical producer through the advertising pages of a magazine for women—if so, it would have cast its thread upon other waters, so to say. But the point of the whole business is that a small display on the printed page won a great display on the speaking stage—a little "ad" venture has helped to make a reigning Broadway success.

AND NOW we have report that an advertisement in THE NATION'S BUSINESS placed by the Taylor-Wharton Company, makers of iron and steel for 180 years, brought an order from a fur manufacturer for half a mile of manganese steel chain. The steel makers had always advertised their products to the trade. They wanted to reach executives in other kinds of business. And they did. The only surprise is that the connection with an industry so remote should be made so promptly—just as though the Taylor-Wharton Company had put in a long distance call, and the operator had come right back with "Here's your party!"

IN THE November number of THE NATION'S BUSINESS C. R. Dooley, director of personnel and training of the Standard Oil Company, told what that concern is doing in training of junior employees. A copy of the magazine in due time reached Mr. Dooley's father, who wrote to Mr. Dooley, Jr. With understandable parental pride he said:

If I am a judge, I think it is about the best; and your mother is of the same opinion; and she is much better able to pass an opinion than I am.

We have no desire to dispute this judgment. We, too, liked the article; but what chiefly interested us in the letter of Mr. Dooley, Sr., was his comment on two other articles. Said he:

The first article in the number, by John W. Scott, a North Dakota dirt farmer, is the best thing of the farmer proposition that I have read anywhere. It contains more good common sense, that farming is a business subject to the hazards of any business. There are successful farmers and farmers who are failures, just like any other business; and when the Government comes to

their rescue with legislation, the whole scheme of farming is a failure.

There is another article on the National Banks, by Silas Bent, pumping Henry M. Dawes, Comptroller of the Currency, that is to me interesting and makes clear some things I did not know. One thing that surprised me was that the National Banks were going out, that is, they are becoming State Banks, for the reason that State Banks offer better facilities for conducting the business. I had thought the National Banks were an everlasting fixture. There is a kind of austere dignity, an air of reserve that says to the public, "Don't come too close," that the public does not like. The State Bank is closer to the people. These are my observations and not taken from the article.

This magazine has more meat in it that suits me than anything I have got hold of lately.

I had to give up the radio business, as the wires blew down twice, the battery played out completely, the small batteries went bad, and I was not able to keep it up. If I had the soap I had a few years ago, I should like it very much. But at 82 I can't make it. I am not complaining or regretting; I accept the situation. I have had my day, and it was a good one.

Mr. Dooley's father is a philosopher who reads with judgment and discrimination. We only wish that he had added one thing to his letter: that he had told us what he did not like in the magazine. That sort of criticism helps, too.

IT IS a good thing now and then to find someone who disagrees with you violently. Most of us have come to feel that American railroads are not equalled anywhere else in the world, but a friendly correspondent in San Francisco writes us to say that he can't agree with Mr. Schott, who, in the November number, was homesick for an American Pullman. Our San Francisco friend says:

"The only thing I am homesick for is an English or French railroad carriage in preference to what is provided here."

Then he goes on to say:
"For the rest of American commercial institutions I have plenty of praise, and curiously enough, just there the natives give blame. For instance, take graft. Things that agitate this country are taken as ordinary everyday business in European countries. When I am asked about such things, coupled with a certain shame, I have to say, 'America is an amateur in graft.'"

HERE is a quotation from Salzman's "English Industries of the Middle Ages":

Even in the case of such artistic work as the making of waxen images, it was considered scandalous that the makers should charge as much as two shillings the pound for images when wax was only sixpence the pound.

This cry of profiteering and inability to account for the "spread" between raw materials and finished product dates back to the early 15th century.

Protests against distribution costs and the inevitable charge of profiteering are no new thing, but as old as the government regulation which Prof. Boyle discusses in this month's issue.

I WAS going through a New England factory the other day with its general manager. On our rounds, he was called to a telephone. He returned visibly affected. "A workman," said he, "just called me up from the hospital. His wife has been ill for a long time and the doctors think that a special treatment may save her life. The treatment costs \$90. The workman asked me if I would lend him the money."

"It was a great compliment," he added simply.

I agreed with him. It was a great compli-



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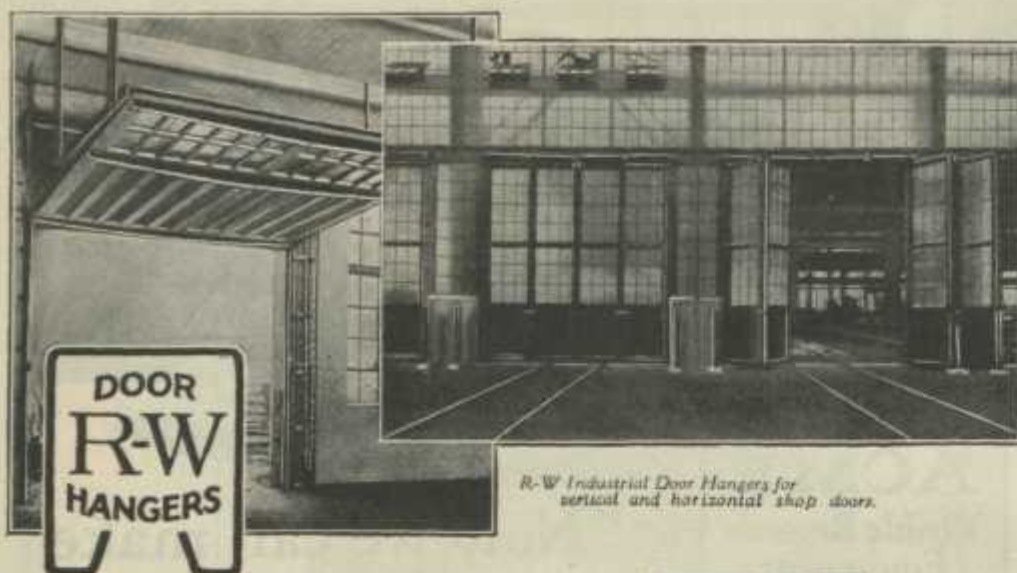
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ITS IMPRINT



R-W Industrial Door Hangers for vertical and horizontal shop doors.

A Hanger for Every Door that Slides

There is an R-W Door Hanger suitable for every door that slides—from great round house and car shop doors, large enough to admit a locomotive or box car, down to the light sliding doors of show cases and pantries. We are America's foremost makers of door hangers for elevators, for factories, for warehouses and pier sheds, for garages, for barns and for use in the home.

Every R-W Door Hanger is made with painstaking care to give a lifetime of care-free service. In fact, the extreme durability, ease of operation and permanence of adjustment of R-W Door Hangers has long since made them standard equipment of their kind.

No matter how puzzling your door hanging problem may be, don't hesitate to put it up to this famous organization of door hanger specialists. Write to Department P for particulars of this free service, as well as for literature describing the complete line of R-W Door Hangers.



R-W IDEAL Elevator Door Hardware for silent, safe and speedy service.

R-W Barn Door Hangers for durability and ease of operation in all weathers.



SLIDETITE equipped garage doors slide and fold inside, away from the wind, ice and snow.

R-W Vanishing Door Hardware for the modern home.



ment when an unknown workman, in a factory employing 2,500 workmen, had so come to believe in its management as to make such a request—a request that went straight through past the foreman, superintendent, to the big boss of the works.

ADDISON'S fame rests securely on his essays, and the length of his essays has set a classical standard; but their length was fixed in fact by the space left after the *Spectator* had made due provision for its advertisements.

Advertising is older than newspapers, older than movable type, older than the pyramids. With age it has constantly improved. No longer does it exercise power over the space accorded to essays or articles, for it wields a greater and more dignified influence as an economic factor in cheapening the production of the ware whose virtue it cries. It is one of the legs on which mass production stands; and that leg is the stronger now that "Truth in Advertising" is a commonplace among our slogans. Truth in advertising means trust in advertising. It means good business. It is a principle of merchandising which permeates more completely, as time goes on, the entire business structure.

ADD TO meat-packing, automobile-building and the other candidates for leadership among industries that of teaching by mail. In one issue of one magazine, not *THE NATION'S BUSINESS*, are offered opportunities to learn by correspondence these things:

LAW	HOW NOT TO STAMMER
WRESTLING	COMMERCIAL ART
CARPENTRY	PIANO-PLAYING
ELECTRICITY	BAND-PLAYING
BOXING	RAILROAD TRAFFIC INSPECTION
HOTEL MANAGEMENT	POULTRY-RAISING
CARTOONING	PLAYING THE HAWAIIAN GUITAR
SIGN-PAINTING	ENGRAVING
PHYSICAL CULTURE	TELEGRAPHY
DENTAL LABORATORY WORK	TO BE A RAILWAY POSTAL CLERK
DANCING	REMEMBERING
PHOTOGRAPHY	TO BE A CHAMPION ATHLETE
WATCH-MAKING	RADIO-DRAFTING
AUTO-PAINTING	HOUSE-PAINTING
FLYING	BASEBALL-PITCHING
BARBERING	
TO RUN A RADIO TAXIDERM	

We didn't jot them all down, and farming, short-story-writing and raising silver foxes weren't advertised in this number. The art of bootlegging must still be learned in the hard school of experience.

MR. CHARLES M. KETCHUM, of Greensboro, North Carolina, came in the other day, and doubtless moved by our incessant, continuous, unvaried, not to say, everlasting, talk about business, told us this story. We pass it on to those other business men who think, eat and sleep business. Maybe there's a New Year's resolution in it:

A business man was discovered by his wife one night standing over his baby's crib. Closely she watched him. As he stood looking down at the sleeping child, she saw in his face a mixture of battling emotions—rapture, doubt, admiration, despair, ecstasy, incredulity. Wondering alike at this unusual parental attitude and the conflicting moods, the wife with glistening eyes slipped her arm around his, and with a quaver in her voice, offered him a penny for this thoughts. Startled into consciousness, he replied:

"I don't see how in thunder they can make a crib like that for a dollar forty-nine!"

M.T.

New York
Boston
Philadelphia
Cleveland
Cincinnati
Indianapolis
St. Louis

Richards-Wilcox Mfg. Co.
A Hanger for any Door that Slides

AURORA, ILLINOIS, U.S.A.

RICHARDS-WILCOX CANADIAN CO., LTD.
Winnipeg LONDON, ONT. Montreal

Chicago
Minneapolis
Omaha
Kansas City
Los Angeles
San Francisco
Seattle

On Time—Regardless



Whatever
the weather

**"Put it up to
Blaw-Knox"**

Icy blizzards in zero weather do not interfere for a moment with the erection of Blaw-Knox buildings. Whatever the weather conditions, the building you need can be up and ready for occupancy on schedule—and this means only a comparatively few days. Blaw-Knox buildings solve completely your winter building problem.

Fireproof, Weather- and Distortion-proof

Blaw-Knox buildings—fireproof, weather- and distortion-proof and substantial—are erected from pre-fabricated galvanized steel units (the time-tested rust-protected metal). They are shipped to you direct from convenient points. Furnished in many types and all sizes, they can be easily enlarged through the addition of standard units, or dismantled

and re-erected in a new location with little expense.

Lowest Cost of Any Permanent Building

Blaw-Knox buildings cost less than any other type of permanent construction—and you know in advance the exact cost of your completed building. There are no extras. Blaw-Knox buildings are available for a small cash payment and special financing plan. Write for full information.

Blaw-Knox Is The Original All-Steel Building.

Time Tells The Story

Blaw-Knox Company, Pittsburgh, Pa.

632 Farmers Bank Building

District Sales Offices:
BALTIMORE

NEW YORK
BUFFALO

CHICAGO
BIRMINGHAM

DETROIT
LONDON, ENG.

BLAW-KNOX

All purpose, one story Buildings

Blaw-Knox
Company,
Pittsburgh, Pa.

Without obligation,
send me your literature.
We have in mind a build-

ing _____ ft. long
_____ ft. wide,

to be used for _____

Name _____

Address _____

MB-4



A Greatly Improved Model of a Famous Crane

For well over a quarter century Brownhoist No. 4 locomotive cranes have been giving the utmost in service and satisfaction. So well have these cranes been built that many of the earliest ones are still in daily service.

Sound engineering, thorough-going construction and the adoption of every worth-while improvement

has constantly maintained the No. Four's position of recognized leadership. In line with this policy, the improved No. 4 is now presented—a better crane with larger capacities and greater daily output.

If you would like to know more about the many advantages of this better Brownhoist, we will be glad to send you descriptive matter.

The Brown Hoisting Machinery Co., Cleveland, Ohio

Brownhoist Products: Locomotive Cranes, Bunkers, Conveyors, Bridge Cranes, Crushers, Larries, Buckets, Etc.
Branch Offices: New York, Chicago, Pittsburgh, San Francisco, New Orleans, London, Eng.

BROWNHOIST

M A T E R I A L H A N D L I N G E Q U I P M E N T

The NATION'S BUSINESS

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JANUARY, 1925

A Magazine for Business Men

For Sale: Speed—Who Will Buy?

By CLIFFORD A. TINKER

Formerly Editor, Aero Digest

TWENTY-FIVE years ago a complacent young man first saw the automobile grunting and panting through a city street.

"Yeah," he said, "but 'tain't practical."

The other day the same man, grayer but no less complacent, leaned back in his "un-practical" automobile and, watching the shining silver of the ZR-3 slip through the skies, said:

"Yeah, but 'tain't practical."

What the ZR-3, later christened the Los Angeles, had done was this: She had come from Friedrichshafen, Germany, to New York, over land and sea, a distance of 5,060 miles, in 4,877 minutes. She had come in 81 hours and 17 minutes. Hour after hour she had bettered a mile a minute. In no other vehicle has man ever traveled so great a distance at so fast a rate. For a little over three days and nights she had flown uninterruptedly over mountain, plain and ocean.

That is what the dirigible, the "liner of the air," has to sell—speed!

What Price, Airship Travel?

GRANT that the airship has speed to sell. There are still two other things needed to complete the transaction—a buyer and a price. Diamonds are valuable, but they can't be sold to a Hottentot, who in the first place couldn't pay for them, and in the second place would rather have colored beads.

Are there buyers for speed? Can the dirigible sell it to them at a price within their means?

These are the questions I put up to my friend, the airship expert. He was sure that the answer to each question was "Yes," but he couldn't quite prove it.

A few days later he telephoned me to say that he thought he had the proof, and would I come over and look at some figures? He spread some sheets before me with the pride of a mother in her first baby.

"There!" he said. "I've got the complete data of the ZR-3's flight, and I have made up a set of figures which I have had checked over by the men who built her. It will show that rigid airships are a quick, safe and salable method of long-distance traffic in the United States."

"In the first place, the ZR-3 has a total lift, with helium as a buoyancy medium, of something over 162,000 pounds as against 176,400 with hydrogen. The ship herself weighs 88,000 pounds; therefore,

with helium she has a useful load of 74,288 pounds, which is about 14,000 pounds less than with hydrogen. We must sacrifice that 14,000 pounds for safety's sake, because hydrogen is too inflammable to be considered. I submit that any ship that can carry 74,000 pounds at a speed of a mile a minute for a considerable period of time has a definite commercial value."

"When the ZR-3 left Germany, she had four American passengers and thirty-nine German officers and men, although she is fitted to carry twenty passengers in addition to her crew."

"What the ship cost in Germany doesn't matter; what she would cost in this country is what counts. I un-

The ZR-3 circles over the Municipal Building of New York City at the completion of her epochal transatlantic flight

derstand from competent authority that her replacement value in America is \$1,500,000. She used 1.6 gallons of gasoline an hour for each engine, or 8 gallons for the five engines; 648 gallons for the trip, which cost \$390; and the oil for lubrication, usually 5 per cent of the fuel consumption, cost about \$25.

The pay of her crew in round figures was \$2,400; but that is because she had an overcomplement of high-salaried officers. Food cost \$170. The item of depreciation, based on 25 per cent a

year of 300 days, amounts to \$252.

Now insurance is a difficult item to figure on this trip, because the ZR-3 was insured for her full value in Germany, stated to be \$600,000; and the premium, if through Lloyd's, would beat the rate of 20 per cent, or \$120,000.

"This, of course, would be distributed over a year of 300 days if the ship were in commission throughout the year. Hydrogen loss was 20 per cent of her capacity, an item of \$896. It is safe to say, then, that \$4,000 is the entire cost of such a trip as that from Friedrichshafen to Lakehurst."

Nothing could stop the expert now. Figures were pouring out of him. "I've got a table here," he went on, "of the cost of an airship service from New York to San Francisco, using the ZR-3 and another ship like her. The cost of the two ships would be \$3,000,000. The cost of two terminals, one at either end of the route, would be \$4,000,000 more, which would include repair facilities. Four intermediate mooring masts would cost \$400,000. General equipment would be \$300,000 more. That takes care of the material first cost, a total of \$7,700,000. Add an operating fund of \$1,000,000.

The Succulent Statistics

"**LOOK!**" said the now triumphant enthusiast. "Look!" and he waved a sheet of figures at me. "Here's the table of operating expenses," and he read this to me:

Upkeep of terminals, annually.....	\$240,000
Occasional labor at terminals.....	27,000
Upkeep of mooring masts:	
4 mast captains at \$4,000 per year..	16,000
12 winchmen at \$3,000 per year.....	36,000
20 sailors at \$2,400 per year.....	48,000
Depreciation of masts.....	10,000
Material and fuel for upkeep of masts..	7,200
	\$384,200

Operating Expenses (two ships):

Gasoline consumption per year for 1,200 h.p. always full speed for 300 operating days, 400,000 gallons	\$100,000
Oil, 5 per cent of fuel consumption, 20,000 gallons.....	20,000
One-fifth upkeep of ships for an average of 5 years, 10 per cent of value of ships.....	60,000
Helium gas, 50 per cent of contents per year at 4c a cu. ft.....	97,600
Depreciation, 25 per cent per year...	750,000
5 per cent interest on capital.....	435,000
Insurance.....	400,000
Miscellaneous.....	100,000
5,000,000 cubic feet of helium, first inflation.....	200,000
	\$2,162,600

Airship Crews (two ships):

3 captains at \$6,000 per year.....	\$18,000
3 pilots at \$4,500 per year.....	13,500
3 navigators' apprentices at \$3,600..	10,800
20 sailors at \$3,000.....	60,000
6 sailors at \$2,500.....	15,000
3 chief engineers at \$5,000.....	15,000
3 assistant chief engineers at \$4,000	12,000
30 mechanics at \$3,000.....	90,000

\$234,300**Management:**

Manager.....	\$15,000
Secretary.....	4,000
2 bureau chiefs at \$5,000.....	10,000
Office force.....	15,000
Materials and supplies.....	40,000

\$84,000**Recapitulation:**

(Yearly cost, including 5 per cent interest on investment)	
Upkeep of terminals and mooring masts.....	\$384,200
Operating expenses.....	2,162,600
Operating crews.....	234,300
Management.....	84,000
	\$2,865,100

It struck me that nearly \$3,000,000 was a large sum for two airships to earn if they kept their tariffs within reason, and I raised that point, but the expert was ready for me.

"Stop a minute," said he, as though I had been talking for hours. "Give me a chance. With her present passenger accommodations the ZR-3 is not suitable for the New York-San Francisco route; that I admit. She ought not to be put on a route of more than 1,500 miles, say from New York to Chicago, where a return trip could be made in twenty-four hours. That would require a terminal at New York only. A mooring mast would suffice at Chicago. She would then have a route comparable to that of the *Boden*, the last German passenger-carrying airship, which made money with the cost of gasoline and other necessary supplies at war prices.

Room for One Hundred Passengers

"I TOLD you that the useful load of the ZR-3, inflated with helium, was 74,288 pounds. This is exclusive of gasoline or anything else that is required to put the ship in flying condition; consequently we have 74,288 pounds to play with. Now, then, we will enlarge the passenger accommodations by lengthening the cabin, so that one hundred persons, in addition to the crew, can be provided for with the utmost comfort—sleeping accommodations and all. This will use up 4,116 pounds of our useful load, leaving 70,172

pounds for crew, passengers and freight. With a crew of twenty-one men allowing 200 pounds per man, we reduce the useful load by 4,200 pounds; one hundred passengers with allowed baggage I have set down at 300 pounds each—that is, 30,000 pounds—so that passengers and crew reduce our useful load to 35,972 pounds. In other words, we can carry, in addition to passengers, about 18 tons of freight, express or mail.

From Sea to Sea in Fifty Hours

"YOU will note," he continued, "that I have allowed for 300 days of operation instead of the 365 that we may suppose operation would reach after twelve months. At the speed of the ZR-3, which is 76 miles an hour top speed, and a cruising speed of 68 miles an hour, the runs between New York and San Francisco will be fifty hours, or a round trip in five days. On that basis, with two ships, I am counting on 120 round trips a year.

"Let us look at the train service for a minute. The fastest time between New York and San Francisco is on the Broadway Limited, which leaves the Pennsylvania Station at 9:55 a. m. Let us say we start on Saturday morning, so that we can save a

Monday we would be in San Francisco, with a loss of one business day. But suppose you left in the middle of the week. You'd lose two business days as against three business days on the train, which took advantage of Sunday. "Then there is the comfort of the airship. No smoke, no cinders, no vibration, plenty of fresh air, room to relax, and two days of the most gorgeous sight-seeing that mortal man can ever find on this globe. Think of a bird's-eye view of America!"

"Those," said I, "are inspiring words. I haven't the slightest objection to thinking of a bird's-eye view of America, but would you mind thinking of dollars and cents? At how much per hour, or per trip, would your eagle-eyed passenger be allowed to gratify his desire for bird's-eye views?"

"I'm coming to that," was the answer. "Listen! One hundred and twenty round trips with 100 passengers gives us 12,000 passengers for the first year's traffic; and the entire charge for the trip, including meals and sleeping accommodations, is placed at \$300, which gives an operating revenue of \$3,600,000. Now we still have left 18 tons, a carrying capacity which can be devoted to goods of some kind, which for 120 trips gives us 2,160 tons or 4,320,000 pounds. Suppose we

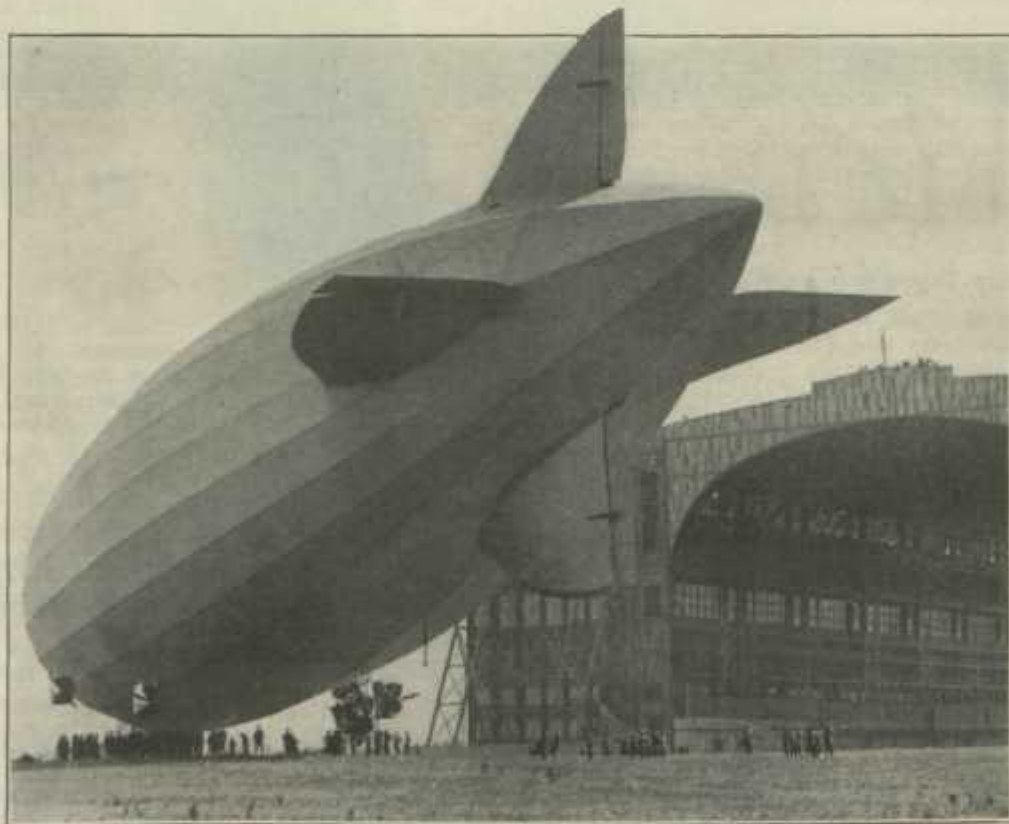
carried this in bulk mail at 2 ounces for a cent; the tariff would be \$345,600 for a year. That's a total of \$3,945,600 as against our operating charges and interest on investment of \$2,865,100. So you see we can earn our operating charges, the interest on our investment and a surplus of \$1,080,500 with two ships like the ZR-3, provided the cabins are altered to carry 100 passengers to take advantage of the entire useful load of the ship."

"You'll excuse me," I said, "but aren't you too hopeful when you talk of 100 passengers for each trip? Capacity traffic doesn't look reasonable. Suppose I do stiffen my backbone to the extent of not being afraid of the air, and suppose I do raise that extra hundred or so; are there thousands of others ready to do it at all seasons of the year?"

The expert dismissed my objection with a tolerant wave of the hand.

Buffalo and Chicago Way Stations

"IF," SAID he, "you will look up this trans-continental problem as I have, you'll have no further misgivings on that point. Don't forget that we have intermediate stations, served by mooring masts at Buffalo, Cleveland, Chicago and Omaha; and it may well be that passengers from New York to Chicago will vacate cabins for passengers from Chicago to the Pacific Coast, or other intermediate changes made. While as for the mail, we can



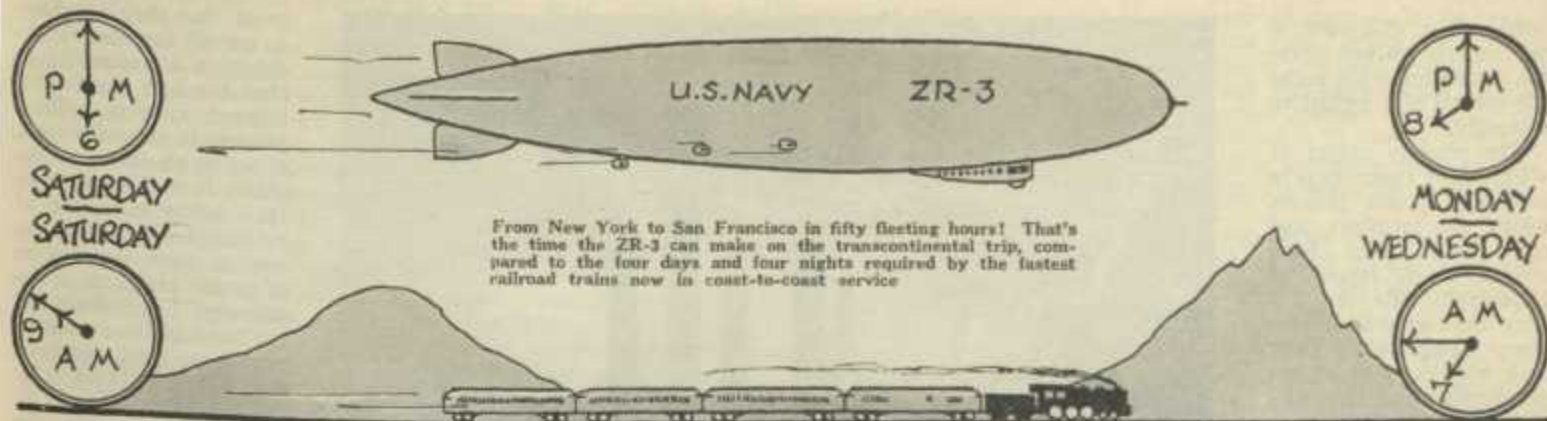
U. S. NAVY OFFICIAL PHOTO.

The Shenandoah, sister ship of the ZR-3, glides to earth preparatory to being towed into her hangar at Lakehurst, N. J.

business day on Sunday. We get to Chicago at 9:55 a. m. on Sunday and leave on the Burlington at 10:30 a. m., arriving in San Francisco the following Wednesday at 7:45 a. m.

"We've lost three business days; we've paid \$121 fare and \$32.63 for a Pullman, which is \$153.63; and our meals and tips have run the cost up to \$190 or \$200. As far as comfort is concerned, even the most pronounced globe-trotter would be a bit weary after this trip.

"Now then, take the airship," he said, waving his hand as if she were anchored right outside. "We wouldn't leave New York until 6:00 p. m. Saturday; and at 8:00 p. m. on



always overload the ship with the supply available, and for each passenger less the full load we can add 300 pounds of bulk and collect for it.

"In the case of the operating expenses, I have leaned on the conservative side. As the ships are operated, economies will be possible which will materially reduce the annual charges. It is true I have included nothing for a meteorological service, which is an absolute necessity, because we can rely on the same weather reports which are now available for the air mail, which covers much the same route that these airships would, and you know the air mail flies night and day."

My experienced friend was ready at every point, but there was one more thing I wanted to know.

"What," said I, "what about human safety?"

"Let me call your attention," the expert said, "to the fact that in Germany commercial airships before the war and after the war were operated as passenger ships carrying thousands without the loss of a single life. In the case of the *Bodensee*, which made 100 trips up and down the center of Europe, covering 703,635 passenger miles at about 85 miles an hour, hydrogen-filled, no one was even scratched. And her total expense per passenger mile was \$1.83, total income per passenger mile \$2.12, with a total net profit per passenger mile of \$0.29. That's \$104,054.15 profit in 104 days with that small ship, less than half the size of the ZR-3. So safety and profit go together."

"Now, in our case, we shall have helium—doing away with the danger of inflammable hydrogen—and the experience of German and

American engineers, builders and operators, in turning out staunch, dependable airships. You recall the 'midnight frolic' of the *Shenandoah* and her ability to withstand a hurricane which sunk fifteen or twenty surface craft along the coast, and her recent trip to the Pacific Coast in which she encountered terrific winds; in fact, during flight the rigid airship is the safest vehicle known to travel."

"Don't forget that some 100,000 passengers have been carried in rigid airships of a primitive type in comparison with the ZR-3, and that the flights have aggregated 4,000,000 miles without injury to a single person."

It's a fascinating thought and something more than a dream, this idea of a cross-continent flight above dust and dirt in half the time at less than double the cost.

Jules Verne, in fact, wasn't crazy.

Where Public Ownership Fails

By Dr. ARTHUR TWINING HADLEY

Formerly President, Yale University

UNTIL recent years there was little call for state ownership of power plants as a measure of national policy. Even when distributing agencies, like street railways or electric lighting plants, were managed by municipalities, they frequently preferred to buy their power from some private company instead of producing it themselves. But in the present century two causes have combined to foster a sentiment in favor of making electric power production a government enterprise. The discussion of Muscle Shoals and the purpose of Senator Norris' power bill are pertinent indications.

In the first place, the increased use of water as a source of power in itself fostered such a demand. Private companies which used water appeared to many people to be getting their power at public expense, because the Government had given them control of a natural monopoly. The general public did not understand how much capital and intelligence were needed to make water power available for use.

In the second place, it has gradually become evident that the different power plants of the company could no longer be regarded as wholly separate operating units. They must work together as an organized nationwide system if they are to deliver and sell their product to the best advantage. Any government is always inclined to be jealous of a nation-wide organization which it does not itself make and control.

This jealousy has been heightened by the name chosen for the new movement. The word "super-power" is not calculated to allay outside prejudice; nor was the proposed substitute, "giant power," very much better. Under such circumstances as these the ques-

tion of public versus private management tends to become one of sentiment rather than of business. Even if you can show a large number of instances where state management costs more than private management or has involved higher rates or has been given up by communities which have tried it, you do not make much impression on the advocates of government ownership.

"The new democracy is passionately benevolent and passionately fond of power." Many voters are prepared to pay whatever price may be necessary to protect them against the dangers which they apprehend from predatory wealth. Every new form of industrial combination is likely to be made an occasion for extending state ownership unless overwhelmingly strong general reasons can be urged against such a policy from the public standpoint.

The Province of State Ownership

TO JUDGE of the probable effect of state ownership of power plants, we have two methods at our command. First, we can examine the effect of state management in the past in lines of industry most nearly similar to the electric industry of today and see what lessons can be drawn from that experience; second, we can analyze the proposals of those who now advocate state ownership of power plants and see whether they are economically sound, whether their application is likely to conserve or to injure the public interests.

Industries are of two kinds: the standardized and the progressive. In the standardized

type, of which the post office, the telegraph or the municipal water supply are examples, a large part of the work is a

matter of routine. Honest administration and faithful performance of service are the all-important conditions. The capital invested is either small in proportion to the year's business, as in the post office, or subject to easily calculated depreciation charges, as in the water supply. The necessity rarely arises for making radical changes of method to keep abreast of the times or scrapping plant before it is worn out, because new inventions have rendered it obsolete. The year's budget can, therefore, reflect the year's operations pretty accurately and show whether there is a real profit or a loss concealed under the appearance of a profit.

In the progressive industries all these conditions are reversed. The success of the work depends upon something more than the performance of routine duties. The amount of capital involved is large. Depreciation cannot be accurately calculated. New inventions and new methods often render a plant obsolete before it is worn out. The year's budget does not and cannot accurately reflect the year's conditions. A delay in scrapping a group of machines which modern improvements have put out of date may convert a real loss into an apparent profit. A successful experiment which is going to be highly profitable in the long run may create a present loss which will only be repaid by profits in the budgets of future years.

The history of state-owned industries in the nineteenth century shows that government does relatively well with standardized industries like the post office and relatively ill with progressive ones such as the rail-

road. The difference is particularly marked where the administration is under the control of a legislative assembly.

The primary object of a legislative assembly is to promote certain policies which its members and the people who have elected them regard as important. To do this they must keep their own party in power. They look with disfavor on experiments which if unsuccessful will be made a campaign issue against them, and if successful, may simply redound to the credit of the other party after it has got into power. They are reluctant to substitute new methods for old ones when the success of the new method involves writing off from the capital account an asset which was handed down to them by their predecessors, and spending current funds on something from which their successors will reap the advantage.

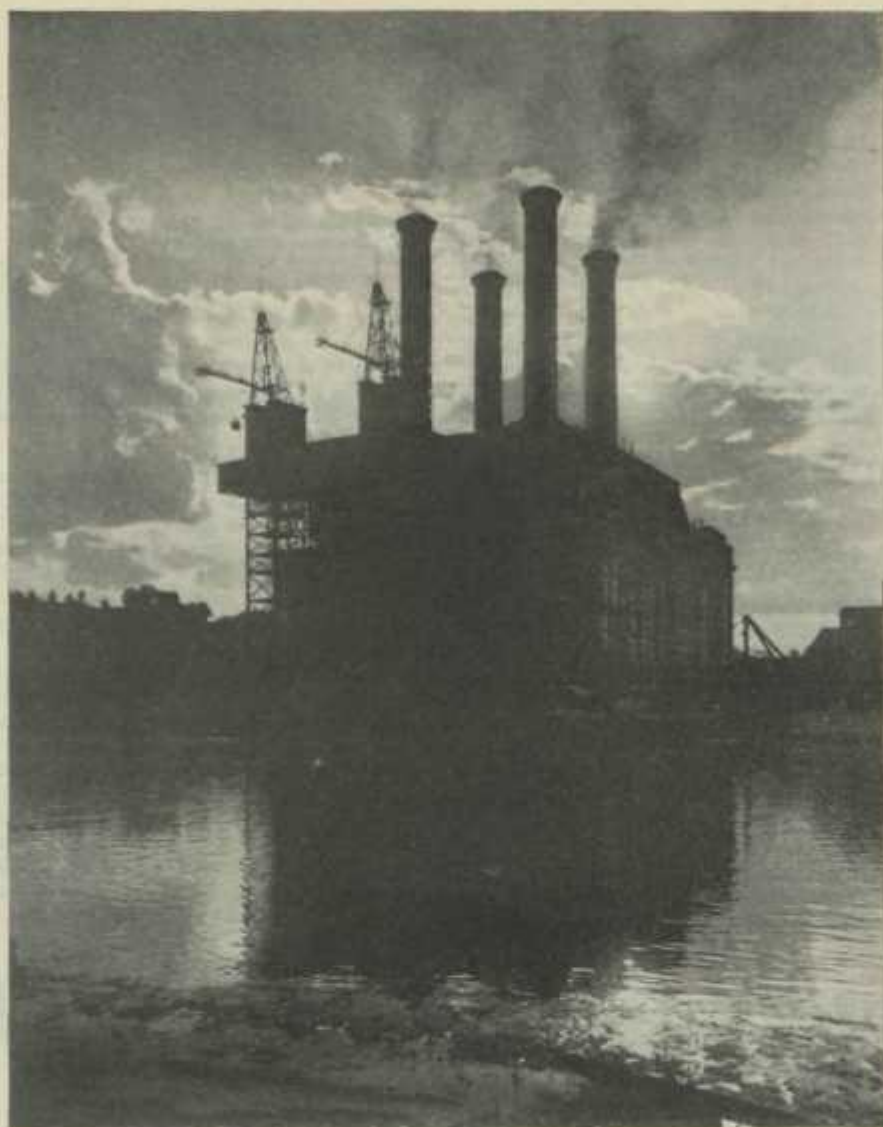
Among the large industries of the present day the one which is least standardized and most progressive in its character is the electric power industry. Among those of the nineteenth century the one which was least standardized and most progressive was the railroad industry.

Amid all their external differences the things which affect the relations of these two industries to the Government are singularly alike. The history of state railroad management in the last century should, therefore, indicate with a good deal of accuracy what results we may expect to reach and what dangers we have to fear if electric power development should be placed in government hands.

State Railroads as an Example

IN THE first place, state railroads have habitually proved unprofitable. Though every great country with the exception of Great Britain has made experiments in state railroad operation, only two—Prussia and the South African Dominion—have succeeded in earning the full amount of interest on the capital invested. Some others, like Sweden or New South Wales, have pretty nearly succeeded in doing it; but, in general, state railroads have constituted a large and increasing burden on the taxpayers. The hopes of lightening the burden for future generations by sinking funds which were frequently cherished at the outset have not been realized.

In the second place, no operating improvement of importance has ever had its origin on a government railroad system. Telegraphic train orders, interlocking switches and signals, air brakes, automatic couplers, all had their origin on the private railroads of England or America. Government railroads gradually introduced them after they had been tried out on private lines, but they did not originate



© EWING GALLOWAY

On the Manhattan shore of the Harlem river stands the power house of the United Electric Light and Power Company where giant dynamos and generators work, tirelessly and unceasingly, to keep the wheels of industry and transportation moving, and to bathe Broadway in a flood of brilliant light.

them. Improvements in equipment and traction by which traffic could be carried at low unit cost have almost always been due to private initiative.

In the third place, the state roads were equally backward in commercial improvement. The thing that made it practicable to reduce railroad rates so rapidly during the latter half of the nineteenth century was the development of a system of tariffs which made a large traffic in cheap goods possible, which encouraged long-distance shipments and which utilized the invested capital to the fullest extent. The advantages of this system for the public as well as the railroads were fully recognized by German political economists; but the Prussian Government and other governments were slow in accepting it, preferring to adhere to the equal mileage principle at the sacrifice of traffic and traffic economy.

Such have been the results of ninety years of state management in the industry which in its progressive character and its problems of making rates to develop the kind of traffic which will utilize the plant economically, most nearly resembles the electric power industry of today. How do the advocates of state ownership of power plants try to rebut the presumption created by these facts?

In the first place, they admit the bad effect of national politics upon business management wherever it is allowed to enter, but they

think that they can keep it out of the electric industry to a greater degree than has been possible in railroad industry. They propose to make the work of selling electricity to the public in various parts of the country a matter of municipal administration and to treat the system of power plants as a co-operative undertaking for the municipalities under a permanent chief, independent of political control by the legislative body.

All these points are good as far as they go. Municipalities are likely to manage industry better than the National Government for two reasons: the municipality is organized to do business as its primary object, not to legislate; and it can be more closely watched by the people with whom and for whom it does business. But the one question, and to those of us who have come in contact with legislative assemblies in recent years it is a serious question, is this: How many men are strong enough to assert their independence when there is a fundamental difference of opinion between them and the legislative assembly as to what ought to be done? The nineteenth century has given us instances of a few such men, but there have not been anywhere near so many as we needed. Is the twentieth century better off in this respect?

I am content to leave this as a query and pass on to a more important part of our subject. Assuming the administration to be thus organized and the chief to have this power and this permanence, what policy do they propose to pursue? What advantages will their system offer the community if successful?

Cheapness That Comes High

THE ANSWER generally is that they propose to give lower rates to the consumer either now or in the future than private companies can afford to give. They contend that they are able to do this by their exemption from taxation and by the fact that they are not trying to make a profit as private companies do, but are content to pay interest and perhaps contribute to a sinking fund. Now I shall try to show that looking at the question as a matter of economic theory, both these methods of lowering costs are wrong in principle—harmful rather than helpful to the community and particularly harmful under conditions as they exist at present.

The proposal to exempt a large group of industrial investments from taxation is always open to grave criticism. The cost of electric light or electric power is not done away with by such exemptions. It is merely shifted to shoulders other than those of the producer of electricity.

This kind of exemption also has a bad

effect on the morale and efficiency of a government industry. If the manager of a private company has to pay interest and taxes in order to show a balance on the right side, and the managers of a government property can do so by paying interest alone, the latter tends to overestimate the excellence of the work he is doing and content himself with a lower standard of efficiency and economy.

It is sometimes said that the exemption of a public enterprise from taxation is offset by the requirements of contributions to a sinking fund to which it is subjected. I doubt whether this is generally a sufficient offset to post-war taxes.

Sinking Fund Looks to Future

BUT EVEN if it were sufficient in amount, there are good reasons from the accounting standpoint against treating a sinking fund contribution as an offset to a tax exemption. A tax is a current expense; it represents a contribution made by the electric industry in common with other industries, to the general expenses of the Government for the year. A sinking fund is not, except constructively, a current expense. It is an investment of capital which you guess will prove a good one fifteen or twenty years hence. And my objection to treating it as an offset to taxation is that the Government nearly always guesses wrong. In the long history of government railroad operation there is scarcely an instance where a sinking fund really produced the effects intended, where the public really got a valuable property free or substantially free from debt.

The second method by which it is proposed to reduce costs of government enterprise is by foregoing profits.

In the light of the history of railroads in the previous century it would perhaps be sufficient to say that this offers no prospects at all. If government enterprises have been barely able to pay current expenses, how can they make rates lower by renouncing a profit which they never had?

But the objections to this idea can be put on broader grounds. Let us assume that twentieth-century governments know more

about managing industry than nineteenth-century governments, that they could make a profit if they tried, but that they deliberately decide to operate at cost. I hold that in the case of a progressive industry as distinct from a standardized one this attempt is unsound in principle and will hurt the public instead of helping it.

In an industry where rates are kept at a reasonable figure, either by competition or by the action of public service commissions, profits are made in two ways—by developing new business which allows the plant to be better utilized, or by introducing new machines or methods which cheapen the direct cost per unit of traffic. In neither case is there any loss to the public. In the first there is an immediate public gain in the form of larger service; in the second, there is a possibility of public gain which becomes an actuality as soon as the use of the new method becomes general; for the experience of every industry with large fixed capital shows that a reduction of unit costs makes a reduction of rates not only possible but profitable. This is the way progress is made. This is the way in which new ideas are introduced and developed which mean big gains for the public. If we can get a real improvement of machinery or of method, the price paid in the form of profit is always small in comparison with the general gain to the community.

In his remarkable work on "The State in Its Relation to Trade," Lord Farrer, for many years permanent secretary of the British Board of Trade, has shown the folly of attempting to reduce rates by limiting profits. The laws controlling the gas companies of England which were based on this idea had the opposite effect to that which was intended. They prevented reduction, because they took away the motive for reduction. If dividends were limited to a fixed amount, there was no longer any stimulus for introducing new methods which would lower costs and increase sales.

This disability which was imposed upon the gas works of England in the nineteenth century and which people are trying to impose

upon the railroads of America in the twentieth (to the great public detriment in either case) represents a chronic condition in government-owned industries which profess to operate at cost. Those in charge get neither the motive nor the means to handle progressive industry by the most progressive methods on either the operating or the commercial side.

If the producing plants are owned by private capital, individuals or groups of individuals have the chance to try experiments at their own risk.

Inventions Profit Public Most

THE PROFIT on the invention that succeeds or on the method that proves useful seldom equals the aggregate loss on the inventions or methods which look good in theory but prove bad in practice, but the companies gain, and the communities gain largely in the long run from utilizing successful inventions.

It is very difficult, if not actually impossible, for a state-managed industry to be free to try this sort of experiment. It is not because the chief insists on pecuniary rewards for himself. But he cannot try all the experiments at once on the public account; and in the light of the way governments have treated inventors, he finds it very hard to get other people to try the experiments at their own risk. He has to confine himself to a very few experiments under the advice of an expert; and in railroad history at least it has not generally been the scientific experts, either in physics or political economy, who have first shown the way to the big results. Private ownership encourages experiment; state ownership encourages stabilization.

Such are the economic reasons which underlie and explain the fact that government management has been fairly successful in standardized industries, and habitually unsuccessful in progressive ones. As the electric industries constitute a field where there is exceptional room for progress in the immediate future, both on the operating and on the commercial side, it seems most undesirable that electric power generation should now become a government monopoly.



The dam across the Mississippi at Keokuk, Iowa. Here the power of the tumbling river is caught and carried over wires to turn lathes in factories and to light floor lamps in homes in St. Louis and other industrial centers

The Case for Business

By RICHARD F. GRANT

President of the Chamber of Commerce of the United States



"At one time this country did not produce enough tallow for its own candles—in 1923, we used for light alone nearly twelve billion kilowatt hours of electric energy"

ing and the equipment, we are too prone to let someone else do our thinking for us. Loose speech and loose writing find large audience here.

This situation places us at a disadvantage, particularly in the period which follows a great war. Things have so come to pass in this world that on the economic side everybody loses in war. Neutral, vanquished, conquerors have to take consequences that fundamentally are alike or differ only in degree or in form of manifestation. All countries have their economic disturbances, and economic disturbances inevitably give opportunity for devotees of new formulas, formulated at best without being brought to the touchstone of experience, to seek to do our thinking for us.

They are not mild about it, either. They frequently wax violent, become ruthless in suppressing facts which are not to their liking, turn reckless in their exaggeration of circumstances they fancy argue for their cause, and indulge in hard words. They are forgetful. Rather, they are not students of history. Otherwise they would know that if this country could be shaken by hard words it would have been wrecked generations ago. The hard words of today are inoffensive in comparison with the hard words that raged in the early days of our present form of government.

The present effect, however, is confusion of thought or lack of thought altogether. Clarification of public thinking will put a speedy end to that and to the blurred sense of moral and economic values confused thinking always brings. There is a duty upon each of us, consequently, to make such a contribution as we can toward clarity in public thinking.

This is a duty which the United States Chamber of Commerce has recognized. It is trying to do its part. It recognizes this duty as entirely apart from the principles the Chamber advocates.

Such advocacy of principles is a duty the Chamber owes to itself and to its constituency

of American business organizations and American business men. The duty to strive to help to clarify our thinking is a duty to every part of the community.

This is the sort of duty that is performed by making analyses, drawing distinctions and framing definitions which are essential if there is to be real understanding and conclusions that will prove sound with future experience. These processes the Chamber has repeatedly used. They were last utilized in May, 1924, when the Chamber undertook to describe the function of business. The Chamber's description was formulated as a result of careful study. The study was made by a representative committee. The study resulted in the Chamber's declaration that the function of business is "to provide for the material needs of mankind, and to increase the wealth of the world and the value and happiness of life."

Business a "Good Provider"

THERE were other declarations, but this is the one to which I wish just now to direct attention. I think we should be impressed with the plain, matter-of-fact words in the way the Chamber's committee evidently became impressed with them. Now either business, as now constituted, does fulfill its function of providing for the material needs of mankind, or it does not. If we are going to promote clarity of thinking about business we should first establish this pertinent fact. Providing for the material needs of mankind is no small task. Upon the extent and manner of its accomplishment a very great deal depends for each one of us. Our business files are short-dated, but the economists have files of figures carrying back over centuries.

These figures reflect wonderful accomplishment of the task. Business enterprise in its modern form and modern meaning had its beginning with events which were so striking that, even though bloodless and non-political, they are described as the Industrial Revolution. The Industrial Liberation might be a more suitable description; for those inventions and practical applications which began in the middle of the Eighteenth Century substituted machine production for hand production. Earlier, there was a tendency to confuse business and adventure, when voyages of discovery were characterized

THERE is no greater public service which any person or any institution can perform than to promote clear thinking. As Americans, we have spared neither pains nor expense in making ourselves able to do our own thinking. In our public schools we have something like twenty million pupils, and we spend for them upwards of a billion dollars a year. To our colleges, universities and professional schools we give income of another quarter of a billion or more. Probably we spend altogether two billion dollars a year on education.

We do not stop there. We spend upwards of another billion dollars a year for the product of the printing press, and the printing industry outstrips all others in the variety of its product. More than a quarter of a billion copies of books and pamphlets come from our presses a year, and in the last ten years there have been some striking changes.

The American Mind—Inaction

IN NUMBER of copies, books of reference have doubled. History has more than doubled; medicine and hygiene have multiplied by five. Even philosophy and poetry have increased. But fiction has fallen off by almost half. Our daily papers have an aggregate circulation per issue well over thirty million, and our monthly publications total over ninety million. There is a deal of reading being done in this day and generation in the United States.

There can be no question about our national belief that every American should be given the training that will enable him to do his own thinking. That is an article in the American faith. But admitting the train-

as business ventures. But business soon took a new meaning; for it became attached to the task of acquiring the new mechanical aids of production, making possible their operation, and finding means for disposing of their output.

How well this task was done is acknowledged even by the arch-apostle of socialism, who said that in the first hundred years after the Industrial Revolution business enterprise had "created more massive and more colossal productive forces than have all preceding generations together. Subjection of nature's forces to man, machinery, application of chemistry to industry and agriculture, steam navigation, railways, electric telegraphs, clearing of whole continents for cultivation, canalization of rivers, whole populations conjured out of the ground—what earlier century had even a presentiment that such productive forces slumbered!"

Prosperity Produces People

THOSE populations of human beings springing out of the ground have a deep significance to students. Under the old order of hand work, the population of England and Wales is estimated to have increased by only 4,000,000 in 650 years. The means of production were so meager that there was a starvation limit on population. In the first eighty years after the Industrial Revolution began the population of England and Wales increased by 8,000,000, and in 150 years it rose by 27,000,000.

For such statistics we do not need to cross the Atlantic. The population of the United States was but 5,000,000 in 1800. In 1850 it was only 23,000,000. But in 1900 it was 76,000,000, and in 1924 it is 112,000,000. No country ever grew so fast on our vast scale. That growth was made possible because business enterprise not only provided for the material requirements of the population, but constantly found ways of providing

for still more. The function of business has been technically described as the conversion of resources into consumers' benefits. The available benefits have been constantly multiplied. Otherwise, if there had been less success in fulfilling the task, literally tens of millions of our present Americans could not even be alive.

We have not reached our limit, either; the statisticians figure that in the last period in which our population has doubled we have trebled our national production. In such figures as that we see no sign of diminution in our business ability—in our ability to cause the yield of human benefits from a supply of raw materials to be upon an ascending scale. The inventor and the scientist point the way. Business ability makes real the possibilities for human benefits that exist in the discoveries of science and in the developments of invention.

If anyone inclines to doubt he has only to look at some details in the record. During the first seventy years of our national existence no one of our mineral resources supplied adequately the needs of our growing manufactures. A century ago the country produced something like 50,000 tons of pig iron a year—say, 12 pounds per capita of the population in those days. At our war peak we produced 45,000,000 tons of steel in a year, and in 1920 we turned out 42,000,000 tons—just short of 900 pounds for every man, woman and child in the country. In 1820 our imports of coal almost equaled our domestic production, and the domestic production was from mines near Richmond, Va. The national supply of coal that year was somewhere near 85,000 tons. At our war peak we turned out 605,000,000 tons in a year,

and in 1920 we produced 587,000,000 tons.

When our Constitution was adopted, textiles were made in a good part of the country in ways that would have been familiar to the ancient Greeks. There would have been nothing especially novel to the Egyptians of a still earlier era. Our first cotton mills in New England looked to the West Indies and South America for their cotton. We now have 35,000,000 spindles working upon cotton grown in our own fields and are the world's great source of supply for raw cotton as well as an exporter of better than \$100,000,000 in cotton goods a year. Before 1840 our imports of raw silk did not exceed \$10,000 a year, although silk was prized so highly that the country had a craze for speculation in mulberry trees; but now we import 50,000,000 pounds a year and industrial chemistry has created for us fibers in imitation of silk which we make in amounts exceeding our imports of silk. Instead of being an article of luxury, silk fabrics and fabrics like silk have been made, by our business enterprises, commonplace for Americans in every walk of life.

Human Benefits From Business

THIS record can be continued throughout the articles we know in everyday life. Some significant facts would stand out. Many of our industries did not have their origin in abundance of domestic materials. Not one of our textile industries which today have combined annual output valued well up in the billions of dollars was founded because of abundant domestic materials. For even coal and iron the country depended upon imports, and its mineral resources seemed inadequate. The herds of cattle did not even produce enough tallow to make the candles the country required. It took as long to go from Philadelphia to Pittsburgh by canal as it now takes to cross the continent by rail, and the cost of freight transportation corresponded.

Those were the conditions out of which American business enterprise has created the country as we know it, has provided all the commodities and facilities of living that we accept as matters of course, but which were unknown to our forefathers and which are unknown today to vast populations the world over. If we wish a demonstration of the success of our fundamental



"There was once a tendency to confuse business and adventure"

policy of seeking the benefits that come from private initiative and business ability, we have only to look around us, or at most to glance backward for a few generations. If we think about those tallow candles we may remember that for light alone we last year used pretty nearly twelve billion kilowatt hours of electric energy, that the engineers seem confident we shall be using more than twice as much in ten years, and that the Geological Survey estimated this spring that as yet we have developed but 12½ per cent of our potential water powers. As an incidental record of what business enterprise is accomplishing, I might cite the facts brought out in June, that between 1919 and 1923 our electric plants using steam power have increased their output of electric energy for each ton of coal used by 33 1/3 per cent.

Reliance of the country upon business enterprise has worked in the past. It has been the greatest single force that has advanced us to our present position. If left free to produce the results which initiative, vision, resourcefulness, courage and perseverance bring, it will give to future generations the opportunity to look back upon us and the world in which we live very much as we look back upon the meager world of our forefathers.

Not of the Devil

AT RATHER regular intervals we are bombarded in magazine articles, in books and in the press with the thought that business is our king and money our god, and that the only solution of ultimate happiness in life is to cast aside the materialistic views which we entertain and become more spiritual in our outlook and manner of living. The inference clearly is that business is an institution of the devil.

Now, of course, it goes without saying that until we can in some manner dispense with our materialistic needs, they must be provided for. Clearly, our development along spiritual lines can be greatly accelerated if we can take the rough spots out of life which attend lack of, or easy access to, material things. We have not yet reached the point in our spiritual development where we can dispense with material needs. It should be understood that the function of business is to provide for these material needs. The thought that we can provide for these material needs and at the same time grow spiritually is conceded and is perfectly sound. Among business men generally there is a rising tide of conviction that business does not exist for itself alone, but is an institution which should serve the common lot and inspire men to give the best that is in them for the common good.

This rising tide might properly be called the spiritual development in business. Reflect upon the hospitals, our institutions of higher learning, our organizations for research

for public benefit, our museums and art galleries, our great orchestras, and the vast number of our social institutions which are now being founded and maintained by our business men. These are increasing in amazing fashion in every community and are proof conclusive that business activities are far from sordid in their results on the moral and spiritual values in the lives of business men.

And then, clearly, the whole moral tone of business is constantly rising. Business men

for the material needs of mankind. Clearly it is a great public service to promote clear thinking about it. It is good judgment to understand the real facts first and do the thinking about them afterwards. Now our present business system has a record of accomplishment in providing for and enlarging the material needs of mankind which reads like a romance, and for the future it holds vast promise. The clear facts about it will do as a start.

The record of accomplishment will make the case. Business and the accomplishments of business should stand as the pride of our people.

It is a natural human tendency to tinker and fuss with something that works and works well. This tendency is usually quite overpowering with those who know little or nothing about the fine machinery. Small boys like to put tacks in a watch or remove some wheels from the sewing machine and big boys like to throw things into a fly-wheel or touch off a can of powder just to see what will happen. And there are small boys and big boys who would like to throw government ownership and government management and government interference with management and restrictions on investments and other repressive spikes into the business machine.

Hence, Monkey-wrench!

IF CLEAR thinking has once established the facts and we know what the machine is for and what it will do, we will be rather slow about permitting anyone to throw any spikes into this machine which works and which does provide for the material needs of mankind. We will want to know for sure that the spike will improve the working of the machine and not put it out of order because we are interested in the material needs of mankind. And when someone advocates a different kind of a machine we will ask him to prove first that it will better provide for the material needs of mankind. In other words, we will ask him to prove first that he is not just tinkering with a machine which he does not understand, and next, to concretely demonstrate the validity of his scheme.

This type of clear thinking will stop a lot of loose ideas which are pleasing to the demagogues and which experience the wide world over cries out against as falsehoods. Therefore, let us first make the case for business as now constituted, this machine which combines the best out of the experience of the ages, this machine which does provide for the material needs of mankind. And then with the facts let us examine the works, composed of capital, management, employees and the public, without any one of which the machine will not function.

(Editor's Note: This is the first of a series of articles by Mr. Grant. In early issues he will advance the case for the investor, the employee, and the management.)

Wanted: A Businesslike Building— Uncle Sam Please Note

"THE RIO DE JANEIRO office aided in the sale of \$200,000 worth of sugar machinery."

"The office adjusted the claim, amounting to almost \$500,000."

"A large concern which the division helped in establishing its product in Cuba, is now taking in about \$700 a day."

"Manufacturers made many demands on the division's extensive file of foreign steam-boiler regulations."

These are random sentences from the last annual report of Herbert Hoover as Secretary of Commerce. Multiply them a hundredfold, and you begin to get a picture of the business man's department of our Government.

Look at the opposite page and see how the Government houses this service. Scattered about Washington in rented buildings, inadequate and inefficient, the department works under a heavy handicap. Every secretary in turn has recognized the need of a government-owned building to house all the department activities save those of the Bureau of Standards.

As far back as 1908, land for a new building was acquired for the then Department of Commerce and Labor, and two years later, the Secretary of the Treasury was directed to prepare designs and estimates for a fireproof building.

In his report for 1917, Secretary Redfield wrote:

"All the bureaus of the Department, except the Bureau of Standards, should be housed in one government building, land for which has long been owned by the Government. . . . The construction of a building to house the entire Department should be taken as soon as possible. At the same time, a laboratory-aquarium should be provided for the Bureau of Fisheries."

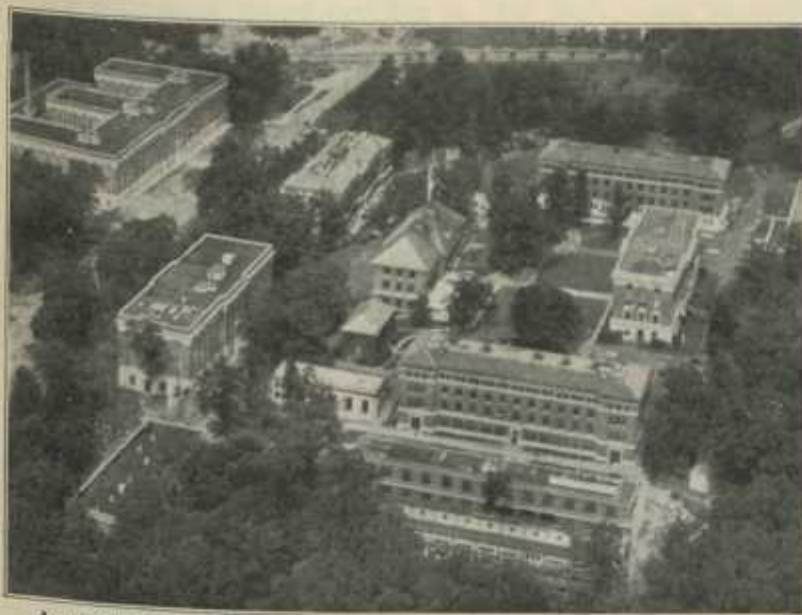
And again in 1920, Secretary Alexander stressed the need for an adequate home and added: "The matter has been repeatedly mentioned by my predecessor."

No wise manufacturer, no progressive merchant, would long put up with a plant which costs too much money to operate and hampers efficiency as well. Shall the Government be less businesslike?

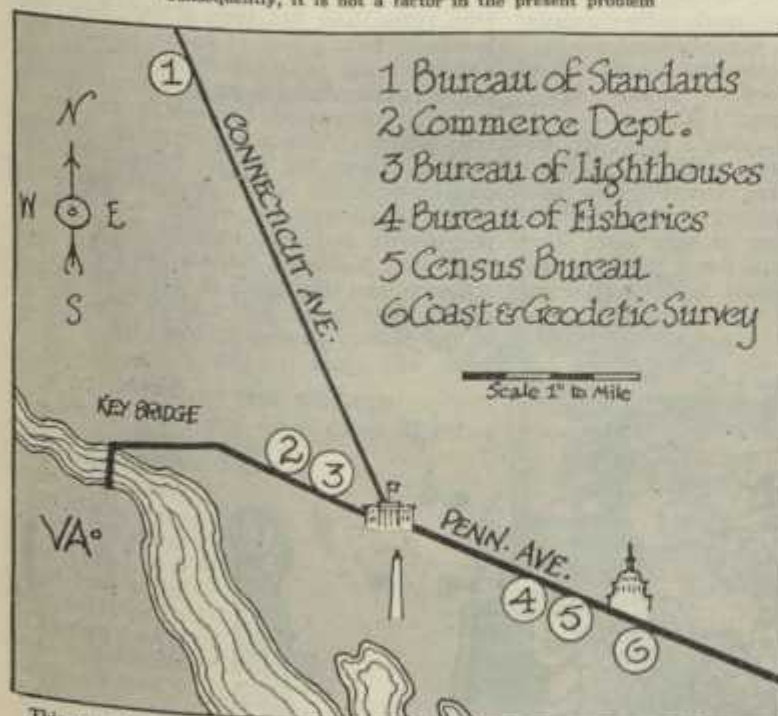
are practicing the conviction in ever-increasing fashion that a man's word is inviolate; that his contracts must be fulfilled and his representations must be true and that he must at all times deal fairly with the public. Those in intimate contact with business know that it is striding on to recognition of high moral values in its accomplishment.

I concede that we should always strive to bring high moral and spiritual standards into business conduct, but I do not concede that business is a sordid affair because of the fact that it provides for the very material wants of mankind.

There is one thing sure about our present business system, it works and it does provide



An airplane view of the Bureau of Standards, the only unit of the Department of Commerce that is admirably housed in buildings especially adapted to its work. Consequently, it is not a factor in the present problem.



This map shows the relative location of the several separate buildings now occupied by the Department of Commerce, all too widely scattered for efficient and economical work. The Bureaus of Fisheries, Census, and Coast and Geodetic Survey are grouped in the vicinity of the Capitol, about two miles distant from the main building and the Bureau of Lighthouses which are situated several blocks west of the White House.

Herbert Hoover Makes a Plea for a United Workshop

IN ORDER to provide space for the increased activities of the department it was necessary during the month of July to move the Bureau of Lighthouses out of the Commerce Building into separate quarters. The work of the department is now carried on in six different buildings, widely separated, and some of them insanitary and dangerous to public records. This scattering of the services can only tend to impair the efficiency of the department and retard its work, but so long as the department is housed in rented quarters, inadequate to its needs, still further overflow from the main building will be necessary. As has been emphasized for several years, the remedy lies in a government-owned building of ample proportions to house under one roof the entire department, except the Bureau of Standards, which on account of the nature of its work is ideally situated away from the city proper.

The department is now entering upon the first year of a final five-year lease to the Commerce Building at an annual rental of \$65,000, and the lessors have declined to grant a renewal beyond this limit at the present rate. In order that the department may not be without a home, steps should be taken immediately for the erection of a building of sufficient size to house its various bureaus and divisions, with due allowance for future growth. The present period of occupancy is too short to defer the project any longer, and good administration makes it imperative that immediate consideration be given the need of the department for a government-owned building.

—FROM THE 1924 REPORT OF THE SECRETARY OF COMMERCE.



The main building and central headquarters of the Department of Commerce is a rented structure, originally designed as an apartment house. It is inadequate alike for the present and growing needs of its official occupants. Four years hence, this building either will have to be vacated or the present lease renewed at an increased rental over that now paid—\$65,000 annually.



The Bureau of Lighthouses, forced out of the main building by lack of room, occupies two floors of an office building, shared, in part, by other government services and bureaus.



In the present Census Building—a temporary war structure—valuable records, dating back to the birth of the republic, are daily in peril of irreparable loss by fire.



Money is daily wasted in an effort to keep the building housing the Coast and Geodetic Survey in a sanitary condition and conducive to good and economical workmanship.

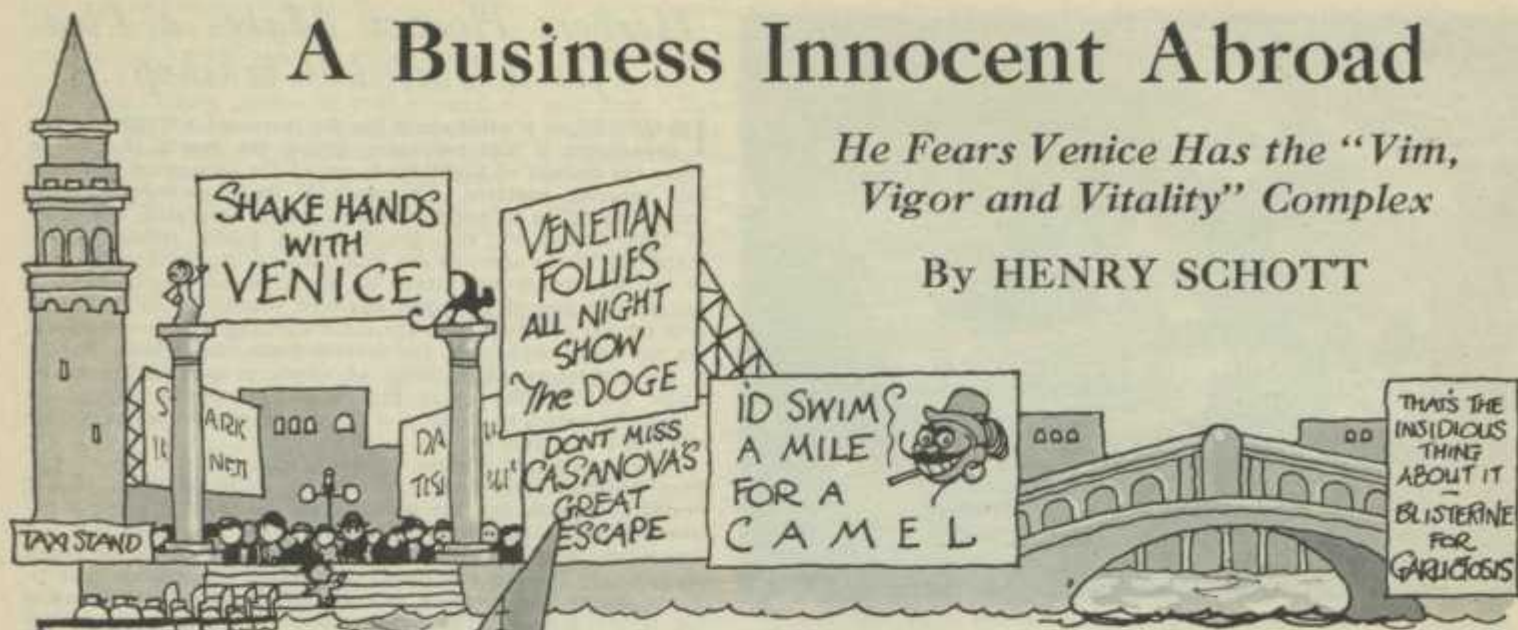


The old structure occupied by the Bureau of Fisheries is notorious in the department as a fire menace, and regarded as utterly hopeless as an efficient working tool.

A Business Innocent Abroad

He Fears Venice Has the "Vim, Vigor and Vitality" Complex

By HENRY SCHOTT



THERE'S only one way to visit Venice for the first time—at midnight and through the back door."

It was my knowledgeable friend who was declaiming and he was in top form. He knows all about Europe and is never happier than when he is giving someone the benefit of his information. Put a railway guide within his reach and suggest something about the best connections between Geneva and, say, Helsingfors and he will be lost in work until meal time. He knows everything that is in the travel books, but is more up to date. When the summer time-tables come out, he disappears for a week. After that his only thought is to find someone he can inform.

"You can come in by boat from Mestre," he continued, "but it's most convenient to come by railway. Now there are two important trains, one arriving in the forenoon, the other at midnight. Avoid that day train! This is your first visit to Venice and it would be better for you not to go at all than to climb out of a car there in the broad daylight. All illusion destroyed—all of the beauty you have pictured—all of the mystery—"

He was at the point of tears in his pleading that I should avoid entering Venice in the daytime. After many attempts at interruption I was at last able to convey to him that I had visited Venice some fifteen years before, had come on the night train, through the back door, as he termed the railway entrance, agreed with him about the importance of that method of approach and received his permission to make my next visit any way or time I pleased, day or night, train, boat, swim or walk, airplane or submarine.

My knowledgeable friend then had lost interest in my Venetian visit and rather resented my having been there even so long ago without his aid or advice.

Coming in on that night train is like falling into the picture. Tired, and half dozing, you stumble off the train and follow the porter through the semi-darkness and smoke of the railway station, walk through iron gates

and past newsstands and restaurants and ticket windows—mussy, like most public waiting rooms, after midnight. Venice? Venice? Why, this looks exactly like any—

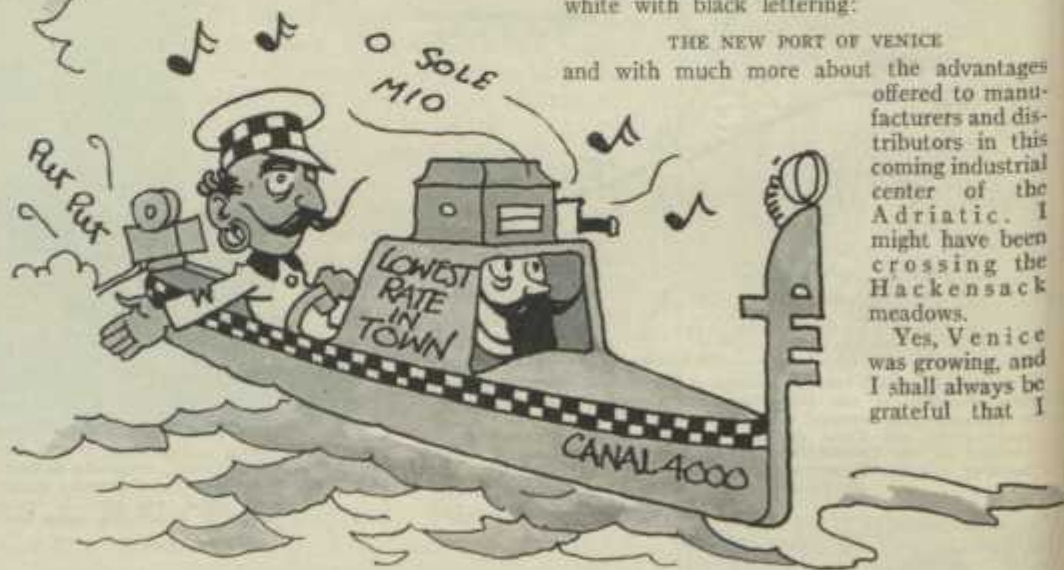
And then, bang! Right on the full set stage, with all the cast, principals and chorus in action. A stone staircase a hundred feet wide, leading straight into the water where a dozen gondolas are pushing, working, struggling for an opening. Everybody calling, trav-

teen years there had been a war; Italy had developed from a land of history and pictures and lazy living, to an aggressive and ambitious people, nationalistic to an extreme, and with a rapidly developing commercial and industrial interest. Venice had joined in the procession. Away out at sea, where the campanile was hardly visible, was a nest of great gray oil tanks on a spit of land with dredges, pile drivers and sand pumps. Next a row of factory buildings, modern saw-tooth construction, and then more oil tanks, white, and docks. A billboard, half a block long, placed so the railway passengers could not miss it, white with black lettering:

THE NEW PORT OF VENICE

and with much more about the advantages offered to manufacturers and distributors in this coming industrial center of the Adriatic. I might have been crossing the Hackensack meadows.

Yes, Venice was growing, and I shall always be grateful that I



elers being helped into the swaying black boats—lights—and across the square of moving water a row of palaces rising right out of the lagoon with not as much as a footpath in front of them.

Venice! Yes, sir, and far better than all the advance notices. My knowledgeable friend was, as usual, right, and I pass along his advice: on your first visit to Venice—if you are fortunate enough still to have it before you—use that midnight train. If necessary, sit down on the mainland and wait twelve hours.

This time I decided to make my grand entrance in the daytime; I wanted to find out just how the railway came over from the mainland. Fifteen years make a difference in most cities and in all men. In these fif-

teen years there had been a war; Italy had developed from a land of history and pictures and lazy living, to an aggressive and ambitious people, nationalistic to an extreme, and with a rapidly developing commercial and industrial interest. Venice had joined in the procession. Away out at sea, where the campanile was hardly visible, was a nest of great gray oil tanks on a spit of land with dredges, pile drivers and sand pumps. Next a row of factory buildings, modern saw-tooth construction, and then more oil tanks, white, and docks. A billboard, half a block long, placed so the railway passengers could not miss it, white with black lettering:

VIM, VIGOR AND VENICE

in red, white and green bulbs.

I talked to one of the younger Venetian business men about it and he assured me that the Boosters' Club and the Victory-for-Venice Association had no thought whatever of changing the old place outwardly.

"In fact, it is our desire to preserve all of the picturesque quality of the city," he said, "but at the same time to develop its commercial and shipping possibilities. You must remember that Venice was the greatest business community in the world for centuries—that

the trade of the world centered right here up to three hundred and fifty years ago. You're the people who put us out of business—you Americans."

"We put you out of business?"

"Yes, sir. You let Columbus discover you, and it wasn't more than a hundred years when the trade current of the world, instead of coming from the east, turned to the new world in the west, and Venice was left high and dry. Now with the rearrangement of the map in Europe this town is bound to become one of the great Mediterranean ports. Right today it's a better distributing point than Milan, a better location than Turin. We can lay coal down here."

Wanted: Modern Crossing Cops

HE WAS making a real booster speech now. I was sure of it when he came to "What Venice needs is a few first-class funerals," and "a bigger and better Venice" and "harbor big enough to float the navies of the world." The only point he missed was that there was a splendid opening in Venice for a good, live, metropolitan newspaper that the merchants would be only too glad to support.

"There are too many old fogies in this town," he said. "They've made their money and are against anything that tends for progress. There—right there's a good example of it."

He pointed at a gondola carrying a peculiar cabin with little barred windows.

"That's the police boat carrying prisoners from the city jail to the prison. I'll bet you it's fifty years old. Venice certainly can afford a modern, up-to-date, high-power boat for its police—something smart, a credit to the city, instead of that old tub with two ancient gondoliers pushing it along the canal. It's the old fogies that hold this town back."

He made me feel right at home and we became great friends; he had a pleasant way of asking my opinion about innovations he was planning.

"If the city administration were up-to-date we'd have traffic police stationed at the principal

but that's clearly impossible under present conditions."

I believe right then he was figuring on the cost of filling the Grand Canal. If these young progressives ever get into control, there will be need of a Save-Venice Society.

The gondoliers were demonstrating just about this time, with threats of paralyzing business by tying up every gondola in the town. It seems that the city council had listened to a smart promoter from Milan, the agent for an electric machinery house. He had electric launches for sale and Venice had the streets to float them. Result: A franchise permitting the gentleman from Milan to operate a taxi-boat service on all canals and lagoons. The gondoliers did not realize what had happened until the first electric taxi-craft—a new word—had arrived at the railway station and were ready for launching. They swarmed to the landing and with their gondolas blockaded the canals so that the electric taxi-boats stayed right where they were. Of course, the police floated down to prevent trouble, but the gondoliers are a powerful body and do not bother the police so long as the police keep their place.

The gondolier is more than a liveryman. He's a close corporation, a hereditary guild. In all Venice there are about three hundred of them and the number is limited. When a gondolier dies his eldest son inherits the gondola and the license. If there should be no son, and that happens very rarely, the right is

gondolas have cushions and draperies and Venice is not without fleas.

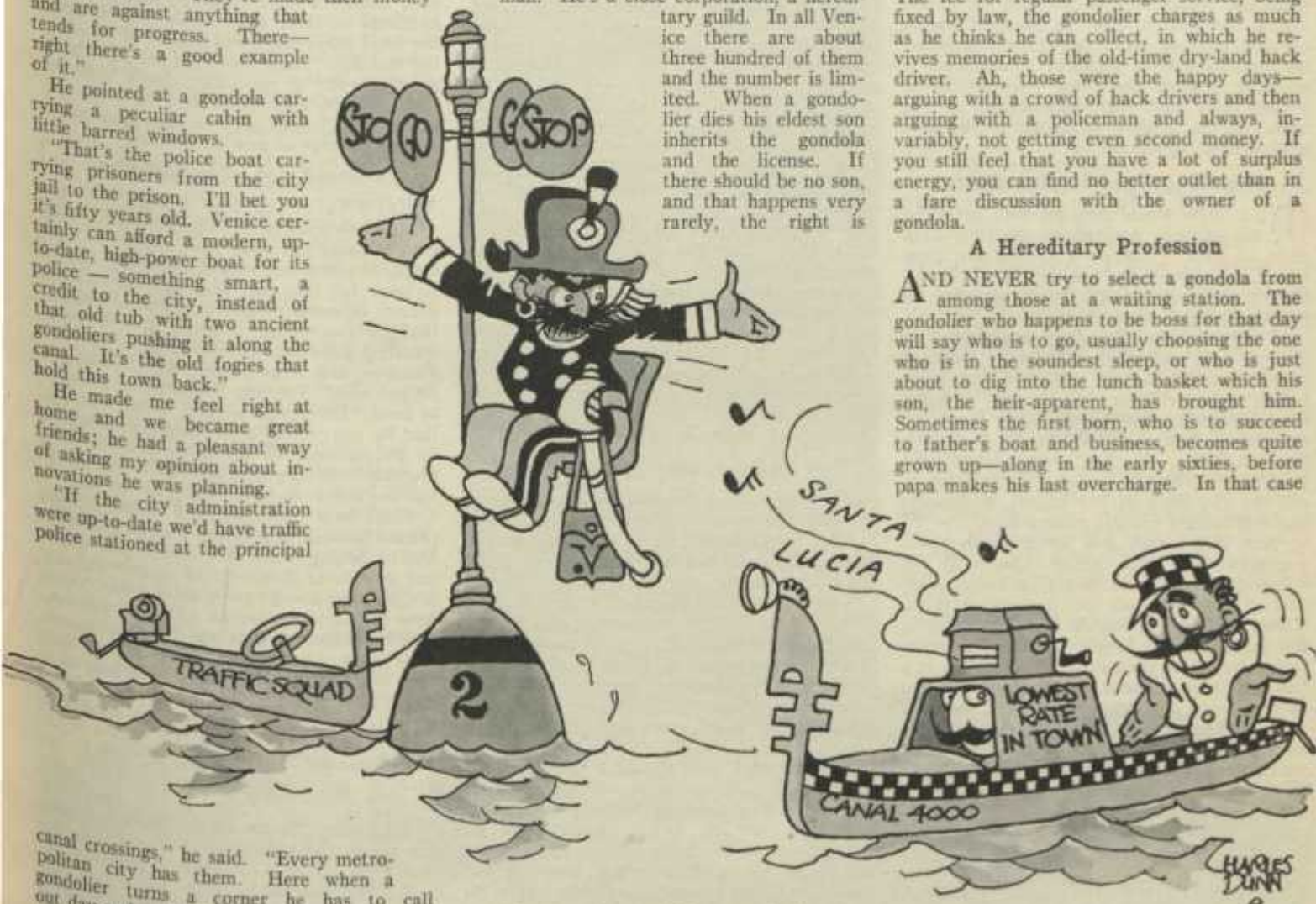
If you are planning to go into gondoliering, please bear in mind that a standard 1924 model gondola, fully equipped, costs 18,000 or 20,000 lira—say a thousand dollars—and has a life of twenty years. A good judge can tell the age of one of these craft a mile away—the older the boat the lower it rides. A new gondola seems almost to skim over the water, only the middle portion of the hull being submerged.

All public gondolas are of the same length—thirty-three feet, as I recall it—the same black color, and the same model. This was all settled a few centuries ago, when the government passed a standardization law to put a stop to rivalry in embellishment that was leading to extravagance.

In return for the hereditary monopoly the gondoliers are required to maintain ferry service at certain points, day and night, and must also have boats on duty at designated stations. The ferry fee is about one-fifth of a cent and that won't pay for the grease in the oar lock. The boatmen, therefore, take turns as ferrymen, each serving once a week for a 24-hour stretch, dozing between trips. The fee for regular passenger service, being fixed by law, the gondolier charges as much as he thinks he can collect, in which he revives memories of the old-time dry-land hack driver. Ah, those were the happy days—arguing with a crowd of hack drivers and then arguing with a policeman and always, invariably, not getting even second money. If you still feel that you have a lot of surplus energy, you can find no better outlet than in a fare discussion with the owner of a gondola.

A Hereditary Profession

AND NEVER try to select a gondola from among those at a waiting station. The gondolier who happens to be boss for that day will say who is to go, usually choosing the one who is in the soundest sleep, or who is just about to dig into the lunch basket which his son, the heir-apparent, has brought him. Sometimes the first born, who is to succeed to father's boat and business, becomes quite grown up—along in the early sixties, before papa makes his last overcharge. In that case



canal crossings," he said. "Every metropolitan city has them. Here when a gondolier turns a corner he has to call out day and night. We need crossing cops—look at Rome and Milan; live, progressive towns."

He must have been right, for he was a native son, but I could not resist asking him how they would anchor these crossing police. "Easy enough—a platform on a few piles," he said. "Take the cops out in the morning and bring them in in the evenings. To give the old town the real metropolitan touch we should have mounted police, at the crossings,

transferable. A gondolier convicted of a felony—or, indeed, one who insists on involving himself in minor criminal affairs—loses his franchise to the city.

All gondolas must be maintained at a certain standard, and at intervals the city has inspection, and once a year there is a public parade at which prizes are offered. The winners have the privilege of carrying the word "premiata" at the bow. These inspections have more than an aesthetic value, for the

son has nothing to do except to carry the lunch basket, lend a hand in cleaning, and wait. He was born to be a gondolier and he cannot work until the vacancy occurs. If he were a prince he could go around laying corner stones and riding in steeplechases, off and on.

Before you ask where I acquired all of these intimate details about the gondoliering industry, I shall hasten to say that my knowl-

edgous friend turned up in Venice and he told the native sons things they never knew. We are loafing in the little terrace in front of my hotel.

"You hear that bell?" He is not talking to me, but to the booster. "That bell has been rung every evening at this hour for four hundred years to warn the people that the last boat is about to leave to bring the horses home from pasture on the mainland, and there are aged people in Venice who have never seen a horse. In the old days of Venetian glory they took the cavalry out to pasture by boat every morning and brought it back in the evenings."

"You mean the cows, don't you?" the native son interposed.

"Horses I said, and horses I mean," my knowledgeable friend replied, somewhat sharply. "Your history says cows, I know, but the citizens of the republic were far too clever to be hauling cows back and forth when they could milk them in the pasture and need transport only the milk. No, sir, horses."

Perhaps he was right—there was no objection from the Venetian delegation. He ladled out more information. The Venetians were great horsemen and in the summer evenings the young men would show off in the Piazza San Marco, then an unpaved square of dust or mud, according to the weather. On feast days there would be tournaments in which a few of the town boys would be broken here and there—something on the order of the modern round-up or rodeo—a wild Venice celebration.

Some Suggested Improvements

"BUT HOW would they get their horses to the plaza? And where did they keep them at night?" Before I finished my question I was sorry I had asked. All of them—the knowledgeable one, the native son and his friends—looked at me pityingly.

"I suppose you think they tied them to a gondola pole and let them swim." He tried to wither me. Then he explained that every palace or larger house used the first or water floor for an entrance to the living rooms on the second floor, and for kitchen, boat storage and stable. Further, anyone could walk or ride, if he could find a horse, today throughout the city with its 117 islands, 146 canals and 400 bridges without using a boat.

"And that shows how unreasonable these gondoliers are," the native son broke in. "They are not at all necessary for communication in this town; we can do without them. Today they are fighting the taxi-boat. Only a few years ago they fought the steam transportation system on the canals. Today there is a two-minute power-boat service from the end of the Grand Canal all the way to the Lido with suburban lines to Chioggia and all intermediate points—20 miles of the finest street waterway service in the world. Watch Venice grow!"

"A gondola is all right if you have time, but I can walk from anywhere to anywhere in town in shorter time than a gondola will carry me."

"Why don't you fill the canals?" I asked. "And tear down a lot of these old palaces—they look faded and musty and with the cellars full of water must be rather damp—and put up something nice and modern in pressed brick with cut-stone trimming, or in a white and blue tile with some columns and cupolas? And you need more bridges across the Grand Canal—lift bridges, jack-knife bridges—let the steamers through. How does it come you haven't put that old Rialto bridge on a swing pier? A good quick-opening red steel span would go well there. And

the Doges' palace would make a dandy site for a fifteen-story, modern, up-to-date 250-room hotel, every room with a bath."

"Right out there in the canal, not a quarter of a mile from this hotel, is the Trieste steamer and that destroyer—an American with 222 on her sides in six-foot figures, and a couple of tramps. Tear out a few bridges and dredge the canal and you could back all of those boats right up against the Union Depot. You boosters are overlooking a lot of chances to make this a Bigger and Better and Brighter Venice. Fill one of those big oil tanks with red, yellow and green paint and run her up and down these streets. A hose and a pump and you could paint this whole town, make it look like new, for—"

"Wait a minute, please; you're going too fast, I'm afraid," interrupted the native son. "Your ideas for improvement are, in the main, all right, and I particularly like the one of using a tank steamer full of paint for clean-up and save-the-surface week. I own a house around the corner, and I have to paint it every three years; you don't know what the sun, wind and salt air will do to a good job of paint in Venice. Actually eat away cement and marble—tough on us property owners trying to keep the town spic and span. But there's nothing to that idea about running the liners up to the terminal; the foundations won't stand the wash. And about filling the canals. Man, those canals are one of the great assets of the city. Do you realize that we don't have any street-paving tax in this community? No street-cleaning expense—the tide cleans our streets for us regularly and free of cost. No drainage problems, no dust—as clean and safe in rain as in shine. No, sir, they'll never fill the canals while I'm on earth. Venice has the cheapest and best system of street paving, street cleaning and garbage disposal in the world, and our only trouble is that we have never advertised it; we're too modest."

"Another good suggestion—that about brightening up things around the depot. We've taken that up and have practically decided on an electric sign the visitors will see just as they come out on the lagoon:

SHAKE HANDS WITH VENICE

"How does that strike you? More heart to it than the usual welcome sign, don't you think? I want you to make a talk at the Wednesday luncheon of our Boosters' Club. You can put some pep into the boys."

I got away without laying hands on him. When I left he was outlining a plan to run freight car ferries with regular sidewalk delivery and collection on all the main lagoons.

The hotel manager stopped me, "Was he telling you about his plans for improving Venice?" he asked, pointing to the native son.

"Improving? Call it that if you want to. He has complete drawings and specifications to make a freight yard out of this place. He wants to turn St. Mark's square into an amusement park. He wants to change the old street names, Mendicanti, Assassino and Del Crio, names that meant something, to Bellevue and such. Are we going to let him live?"

"You musn't mind him—he means well," said the hotel man in his most soothing tone, "but he's somewhat eccentric. He spent two years in America—in California, or Florida, or may be it was New York, learning the real estate business, and he came back with a call to boost Venice. He says we live too much in the past—that if our forefathers, the men who built Venice, were there, the town would be so big we'd have to put subways

down the Grand Canal. He's built two subdivisions out in the harbor and is planning a summer city over at the Lido. He's all right until he meets someone from America and begins to rebuild the old town. He feels that he must prove to you that he's a 100 per cent booster."

I went down to the railroad yards to see the circus come in. All of the worst boys in town were there forcing their assistance on the show people, getting in the way and being kicked out. The wagons and cages were rolled off cars—the whole outfit would have made one good side show—and then run on to barges. A little tug pulled the whole circus out to the arsenal grounds on the other side of town in one trip. Proud and happy the kids who were allowed to ride along. Days afterward, as I passed the show grounds on my way to the beach, they were still driving stakes and putting up tent poles; no hurry. All of the kids were still volunteering help. There was no street parade—imagine overlooking that opportunity!

That night I was in my usual place on the plaza listening to the Municipal Band. Yes, Venice has a municipal band of seventy-five pieces. It costs the town forty or fifty thousand dollars a year. The city also owns the buildings on three sides of the square where the band plays and rents dozens of shops on the first floor; same way with the bath cabins on the beach at the Lido. Quite a thrifty town. Everybody is subject to city, provincial and federal income tax, whether the income be large or next to nothing.

A Grand Job, Tax Collecting

YOU PAY 20 per cent to begin with and from then on, if the city, province or kingdom can find out what your income is. The taxpayer starts out with a statement that he is loser for the year and the tax collector guesses he made so and so much, considering that he can afford a piano, two servants, spends a good deal of time drinking coffee at Florian's and wears white spats. Make it 30 per cent. Yes, my knowledgeable friend is at hand. He called the head waiter, who said that he was paying a monthly tax amounting to 20 per cent of his total income. Why monthly? If they ever allowed it to accumulate for a year no one would pay, he said.

There is a vast difference in the attitude toward taxation in southern Europe and in the United States. Tell how much you earned and in case of doubt decide against yourself, is the position our government takes. Over here the taxpayer begins with the statement that he earned nothing and it is the government's job to prove he's a plain liar. Usually they compromise. So when you hear of a country over here that is collecting 30 or 50 per cent income tax, bear in mind it is not the same 30 or 50 per cent in use in the United States. No, not by at least 75 per cent.

"Of course Venice was awfully attractive, but there was such a flood all the time we were there we had to go around in boats."

Perhaps that is the oldest of all Venetian tourist tales, but I do not believe it to be the invention of some ancient funny man; I feel sure it was the spontaneous, sincere utterance of some sweet young thing of other ages. For, at the table next to us, sat two of our countrywomen, mother and daughter. Mother deaf. Said the daughter:

"I think the water must have been here before they built the town."

Those were her very words. "After which," remarked my knowledgeable friend, "I'm not so sure the booster isn't right."

A Tough Job, Moving the Movies

By TERRY RAMSAYE

THE MOTION picture, which claims the position of our fifth industry, has run through its cycles of business evolution in just thirty years. This compression makes the institution of the films a living museum of business forms.

Most of our great industries have grown through transitions occupying centuries and continents. The motion-picture business, however, has evolved since 1894 and this evolution has centered in New York City. Of all the major industries it can therefore be brought under examination the most readily.

Much has been made of the seeming complexity of the motion-picture institution, yet it will be found to follow, with a startling simplicity, the fundamental patterns of merchandising evolution.

The motion picture should also challenge the interest of the student of business by its clear exemplification of the inter-relations and dependencies of art, science and industry. The real merchandise of the motion picture is a shadow on the wall. The merchandising of the motion picture is the business of selling the consumer his own state of mind about that shadow. It is the world's most intangible business with large tangible values.

Partnership of Art and Business

OTHER industries sell a product consisting of materials plus design, style and finish. Motion pictures sell nothing but design, style and finish. They sell on their looks and nothing else. As a consequence their business history is a lock-step march of art and merchandising organization.

Contrary to popular opinion, and to the motion-picture institution's own opinion of itself, every forward step has been made on the initiative of business, not art. The advances of the screen have invariably been led by men striving to make room for themselves at the top, commercially.

The scientific history of the motion picture began in laboratory dreams in London about 1825, and in 1887 Thomas A. Edison determined to make it a fact. The amazing truth is that he thought of it merely as a supplement to his phonograph. All prior efforts had run against the limitations of materials, the photographic glass plate, but by 1888 George Eastman, seeking a material which would enable him to make photography a fool-proof amateur sport, hit upon film. Entirely incidentally this film proved the solution of Edison's problem of material. In the autumn

of 1889 Edison had a working picture machine, a peep show.

This machine, christened the Kinetoscope, stood in Edison's laboratory, a mere curiosity, until 1892, when a business man chanced by and saw opportunity in it. Thomas R. Lombard, of the North American Phonograph Company, induced Edison to let it be exploited, as an amusement novelty, and The Kinetoscope Company, headed by Norman C. Raff, of Canton, Ohio, launched the device, preparing to sell machines largely through the agency of metropolitan showings in "Kinetoscope Parlors." On April 14, 1894, the first parlor opened at 1155 Broadway, New York, and within a few months machines were sold to go all over the world.

The Kinetoscope, being a peep show machine, could entertain but one spectator at a time. The exploiters of the invention were soon inspired with the possibility of swifter and greater profits with a machine which should project the picture on the wall for a whole audience at one time. Edison, who viewed the motion picture solely as a machine business, opposed the screen idea.

"We are selling plenty of these peep-show machines. If we made a screen machine it would only take ten of them to show the moving pictures to everybody in the United States. Let's not kill the goose that lays the golden egg," he argued.

But business demanded a projecting machine, and got it—elsewhere.

Vitascope Blazes the Trail

THE EVENING of April 23, 1896, two years after the peep-show debut of the pictures, the business of the screen was born with a showing at Koster & Bial's Music Hall in New York. The machine was the Vitascope, invented by Thomas Armat, of Washington, D. C. It used Edison pictures. The motion picture now became a standard component of the vaudeville program throughout the country.

The inevitable demand of the theaters for changes of program swiftly brought realization that the films were vitally important where before they had been considered and treated as only a troublesome accessory. It now became a business of both machines and pictures.

Meanwhile film subjects were mere topical bits, water falls, marching soldiers, the waves



PHOTO BY UNIVERSAL PICTURE CORPORATION

Here we have the final step in the distribution of the movies, what the dealers in tangible commodities term retailing. The ultimate consumer is massed on the sidewalk in front of a Los Angeles theater, waiting his turn to catch a glimpse of a new Hal Roach film.

at Atlantic City and the like. The movie studios were little make-shift roof affairs where now and then a dance act or a bowing celebrity might be photographed. The motion picture had received the attention of science and business. It needed art to give it something to say. The screen was a voice without a song.

Presently public interest weakened and the business went into a decline before it grew up and a desperate line of patent litigations made investment perilous.

In the autumn of 1903 Edwin S. Porter, in charge of production for Edison, conceived the idea of using the screen to tell a dime-novel story, and "The Great Train Robbery" resulted. It was a very long picture for its day, occupying nearly a whole reel, or twelve minutes of screen time.

Now the new-born story picture gave the business impetus. The screen at last had found something to say. It began to be a business of pictures. In November, 1903, Harry Davis opened a five-cent picture theater in Pittsburgh, with "The Great Train Robbery" as its first program. The theater prospered exceedingly and started an amazing wave of nickelodeon theaters.

This infection first swept through the large centers of population, including Chicago, New York, Cincinnati and St. Louis.

These manufacturing centers were filled with unassimilated alien colonies, polyglot and illiterate. Neither our stage nor our literature could reach them. They were amusement hungry and the pantomimic motion picture's universal language could reach them all. It did. By the end of 1907 there were about 6,000 film theaters. All films were made for their taste. Demand increased tremendously. Real studios began to be built. Plant investment began.

Stale in Thirty Days

THE RISE of the nickelodeon now gave the motion picture, for the first time, its own channel to reach the ultimate consumer. At first the exhibitors bought their films outright. Rental libraries, or exchanges, as they came to be called, grew up sporadically as larger buyers sought to realize by turning over accumulated stocks of films to smaller contemporaries.

The rental business created a line of middlemen or distributors, without territorial restriction and undisciplined. All film was sold by the makers at ten cents a foot, regardless of cost or content. Rentals were whatever the traffic would bear.

By 1907 the hectic demand of the nickelodeons had reached the ultimate point of a daily change of program. The sole basis of value in the film market was age. The

theater paid for a program service of perhaps twenty-eight reels a week. The highest price was for "first run." Thereafter the price shaded off day by day. In thirty days the film was tossed into a bottom classification as "commercial" and in sixty to ninety days it was worthless, regardless of physical condition. Quality did not exist. The pictures were accepted "mine run."

The business was utterly lawless. All known commercial abuses were standards of practice. Lack of territorial boundaries in distribution caused great confusion and waste.

At the left, the cradle of the modern movies, Koster and Bial's Music Hall in New York City, where films were first projected in 1896. It was such a crude contraption as that shown below—one of the first projecting machines invented by C. Francis Jenkins—that changed motion pictures from an individual peep show into an evening's entertainment for millions.



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The endless patent wars impoverished the whole industry. The court struggle narrowed to Edison and the Biograph company, and the distress of Biograph prompted banking backers to send J. J. Kennedy, engineer and business executive, to liquidate. He preferred to stay and fight. Organization began.

On December 18, 1908, the great peace was made, with the formation of the Motion Picture Patents Company, which took into one camp all of the warring picture makers and held every significant patent in the business. They built a picket fence around the business of their swords.

The first outward move was to put all of the exchanges and theaters under license. By this step a noose was thrown around the neck of distribution. Discipline was enforced.

Early in 1910 the licensed film makers of the Patents Company formed the General Film Company, ostensibly to open a model exchange in New York City. In a few months

this concern took control of all the important exchanges, buying them with shares of stock and notes to be paid out of receipts. The licenses of exchanges not purchased were cancelled by the Patents Company. Thus the producers took over distribution.

The few surviving outlaw or unlicensed exchanges fought for existence and by creating a demand for film, gave impetus to independent production. Against the producers the Patents Company launched a drive of patent infringement actions. Theaters playing independent pictures were cut off from all licensed film, without which it was difficult for a theater to exist.

Independents Pool Production

TO MEET this competition and survive, the independents were forced into a combination pooling of their production in sufficient volume to supply a theater program. Nothing less than a program could be sold.

The Motion Picture Distributing and Sales Company became the independent agency. As the independents prospered internecine struggles arose over control of the sales company.

It split into the Mutual Film Corporation and the Universal Film Manufacturing Company, both distributors. They shortly began to acquire ownership of the independent exchanges, repeating as nearly as possible the

General Film pattern. Lawyers kept the patent litigation in the courts, while the independents and the General both prospered on the rising tide of theater development. In 1914 there were about 20,000 theaters renting film. Distribution was completely in control. The standard of production remained at a low level. Business was busy milking the status quo.

An outsider "wanted in." Adolph Zukor, an exhibitor, venturesomely bought American rights on a pretentious foreign film experiment, a four reel

drama starring Sarah Bernhardt. He sought entry for his picture through the channels of established distribution. All he got was exit. The picture eventually was presented at a legitimate theater and presently at some larger screen houses. The feature drama had begun its career.

The old line concerns, going along with their easy profits on programs of short cheap pictures, fought the invader vigorously. It was not only competition but a disturbance. It broke up the routine of handling film like coal or wheat.

The real character of the motion picture as merchandise was not yet realized. Zukor's concept was expressed in a policy of "famous players in famous plays." The stars of his first features included James K. Hackett, James O'Neill and Mrs. Fiske. The entire enterprise was a borrowing from the more august institution of the stage.

In order to attain volume enough to sup-

port a feature policy a second line of "Class B" productions was added. Mary Pickford was "Class B." But "Class B" outsold "Class A." To the motion picture public, stage celebrities were mere traditions, but Pickford was a fact. The screen was proven a greater maker of stars than the stage, greater in terms of market because the market limit was the world.

Independent exchanges bought the Famous Players product and other similarly produced pictures. A community of interest brought these exchanges together in the formation of the Paramount Pictures Corporation, largely as an answer to attempts at producer dictation.

Paramount contracted with the producers for enough pictures to constitute a continuous supply of program for theaters with a feature policy. Here was a reassertion of the old General Film Company idea, on a higher level of production. General depended on patents. Paramount depended on product. However, General was owned by its producers, while Paramount belonged entirely to exchange-men.

Litigation based on the patents continued, but with diminished importance. Growth was too powerful to be controlled by court actions.

Mutual Promotes Chaplin; Dies

AN UPWARD trend in the retail establishments paralleled the rise of the features. Nickelodeons began to give way to bigger theaters with increased seating capacities. The number of screens to be served began to diminish. Admission prices moved upward from 5 and 10 cents toward twenty-five cents. Feature film rentals were higher than the old program rentals of short length nickelodeon pictures. Long runs began to develop and a picture played for three days or a week where the daily change had prevailed before. The age factor in film value began to diminish.

All of the concerns in the business, including the old line program distributors, made an essay at the feature business, with straddling policies of divided attention to short program pictures and the new long dramas. Numerous new concerns appeared.

Early in 1916 the Mutual, trying to follow the new trend, employed Charles Chaplin for the making of twelve pictures in one year for a salary of \$670,000. Mutual necessarily had to sell the Chaplin pictures as an independent series. This concern had no other product to supplement the costly comedies. For the first time in the history of the industry theaters were able to buy an individual product on its merits, underburdened with program attachments. Although Mutual died, the Chaplin series succeeded and initiated series selling, which became subsequently a common practise. Meanwhile it exerted some immediately disturbing effects.

The announcement of the large salary paid to Chaplin sent Mary Pickford shopping for offers, resulting in a new contract with Adolph Zukor, of Famous Players, on a basis approximately \$10,000 a week, more than doub-

ling her prior honorarium. Pickford pictures had been the leader brand in Paramount's program assortment and Famous Players was bound to Paramount on a guarantee of only \$35,000 a picture. Pickford, however, was too costly to sell on such a basis now, so Zukor formed the Arcraft Pictures Corporation to sell Pickford pictures independently.

Again the product had outgrown distribution. Arcraft repeated the tactics of all distributing concerns and added more first rank stars to support a semblance of program volume.

Meanwhile Zukor's Famous Players combined with other contributors to the Paramount program and shortly took over Paramount. Production swallowed distribution, and thereby acquired the distributor's problems.

Large theaters, dependent on the big stars for their earning power, resented concentrations of control between producers and distributors. Important exhibitors in the principal centers clubbed their buying power and formed the First National Exhibitors' Circuit, a cooperative distributing organization contracting directly with producers. The first important contracts were with Chaplin and Pickford on a production basis, making these players producers as well.

The theaters eliminated one middleman—by producing another. First National, after first run presentations of its pictures by members, became a general distributor to the trade, and gradually evolved from an association of locally owned exchange enterprises into a typical national distributor, owned by theaters.

By this move the producers of features lost not only the revenue of the business represented in the exhibitor-distributing concern, but also the prestige value of their films,

Here we have the final step in progression from the bulk selling of the nickelodeon days, but again the old cycle tends to repeat. United Artists Corporation, seeking volume to support distribution machinery, organized a subsidiary, more recently dormant, to handle other independently produced pictures through the same exchange system.

Meanwhile, and once again, the motion picture, in a new line of more highly pretentious productions, has outgrown its distribution machinery. "The Covered Wagon," "The Ten Commandments," "The Hunchback of Notre Dame" and "The Sea Hawk" of current fame, are of this type. All of these pictures, and some others of like caliber have been presented by special touring crews as "road shows," playing large theaters on a percentage basis.

The outstanding manifestation in the motion picture field at the moment is the growth of the chaining system and centralization of buying power. It appears probable that the changes of the next few years will take their origins from this tendency.

Producing-Selling Now a Unit

A RECENT survey of the theaters finds that six thousand houses, chiefly the larger theaters, of the United States are in the hands of approximately eleven hundred owners. The typical motion picture buyer, therefore, represents about five screens. There are probably about 14,000 film theaters in operation in the United States. There are prospects of a race between exhibitors, seeking production control, and producers having exhibition control as their goal.

The intimacy of relation between retail selling on the screen and production is tremendously increasing. The Fox Film Corporation is a producer-distributor which has grown up parallel with the growth of the Fox theater interests. Marcus Loew, controlling some five hundred theaters, has by force of buying power taken control of the Metro Pictures Corporation and the Goldwyn Pictures Corporation, merging the two concerns.

For a period of several years every motion picture theater of importance on Broadway, in New York, the capital of the amusement industry, has been owned or controlled by distributors of motion pictures. Only within the week in which this article was written an apparently independent theater came into Broadway.

Distribution costs in the industry have increased for the business as a whole, as refinement of product has come and competition has increased. Earliest obtainable figures indicate a distributing cost of approximately 10 per cent in the short reel program days, rising swiftly to about 30 per cent and continuing in that vicinity.

A large charge upon the industry results from the loading of the distribution plant with unproductive merchandise. Out of the total of production, approximately only one picture in four or five is importantly profitable. In 1908-1915 nearly every film returned a large profit, while the average picture of today shows a very narrow margin.



The shipping room of the Pathe exchange in St. Louis, jobbing headquarters, distributing agency and warehouse for this particular make of film in this particular territory

affecting sales in the lesser theaters. The producers, most notably Famous Players-Lasky Corporation, set out to buy and control theaters to meet this condition.

Again came revolutionary evolution. The major stars, having been educated by much discussion and negotiation, became conscious of the middlemen between them and the theaters. The formation of the United Artists Corporation, with the "Big Four," Chaplin, Pickford, Griffith and Fairbanks, resulted. This corporation is a federation of the member stars formed to sell its individual pictures, separately produced, on individual merit alone.

Thieving Grows, But Why?

I HAVE been asked repeatedly to comment on present-day honesty, but I have hesitated, since, while it is easy to talk in generalities, little is gained by such discussion.

Many sensational statements have appeared in print in the last year. We are told that fat men are better risks than thin ones, that brunettes are better hazards than blondes, that the man with a hobby rarely goes wrong, and so on, until we wonder if after all the old saw is still applicable, that "a good, honest man nowadays is but a civil word for a fool."

A month ago a questionnaire was sent to thirty-eight of the claim offices of the United States Fidelity and Guaranty Company, much of whose business consists of bonding em-

By W. W. SYMINGTON

Vice-President and Secretary, United States Fidelity and Guaranty Company

limitless easy credit play a part in many losses.

7. Family infidelity seems to be more general, and family training, school training, and religious training have been put on the shelf in many households.

8. Evasion of the law, as evidenced by bootlegging and the purchase of bootleg liquor, has come to be looked on as sport, not as a crime.

9. Courts in many states are lenient, or at least are not dealing severely with dishonesty.

10. There is a growing disinclination to work.

The above roughly summarizes the replies. It must be borne in mind that the state-

With the possible exception of four places—Boston, Memphis, Omaha and San Francisco—thieving appears to show a marked increase, the increase being both in the number of losses and in the amounts involved.

What is the length of service of the average dishonest employee before he is detected? The answers vary. In Boston, for instance, seven to ten years seems to be the average length of service. The same holds true of Chicago, Indianapolis, Pittsburgh, Atlanta and Denver. In other places it would appear that the average length is from six months to three years.

What are the ages? With the possible exception of one city, usually those who are dishonest are young, their ages ranging from 17 to 30. We had somehow expected that to be the answer, although most embezzlers appear to be middle-aged, and even older.

What is the ratio of men to women? Few women have come within the purview of our adjusters. This may be because there are not many women in places of trust.

However, one reply said:

"While there is a greater tendency to peculation among men than among women, when a woman steals, she is no 'piker.' One of the twenty-one-year-old girls whom we bonded stole \$18,000. We covered her for \$5,000."

Another has this comment to make:

"More dishonesty exists generally among males, this allowing for the number of males employed, the natural timidity of the female sex, the fear of being caught, and other deterrents tending to produce this result. Then, too, women usually have fewer expenses—no family to support—and while the man's fast life is expensive, in a woman's case usually someone else foots the bills."

In four hundred cases reviewed by the Cleveland office only one woman was involved.

"We occasionally find a woman," says



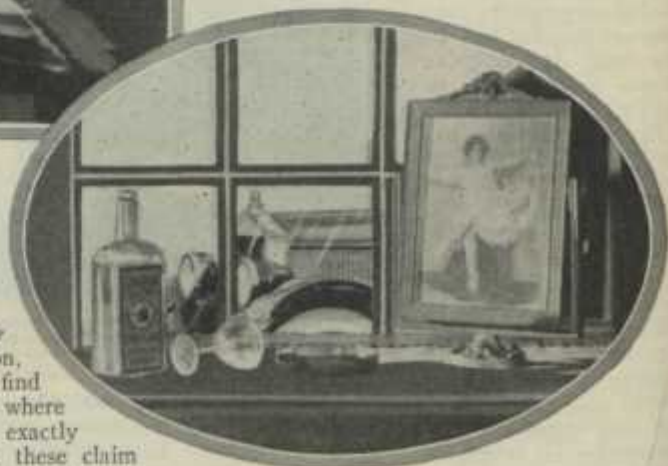
ployes. Most of these superintendents have had long experience in handling and adjusting losses involving employees untrue to their trust. The offices canvassed extend from Portland, Maine, to Portland, Ore., and from Jacksonville, Fla., to Los Angeles, Cal. The questionnaires have been completed, and here are some of the salient assertions gleaned from them:

1. Dishonesty is apparently increasing throughout the country.
2. The great majority of those who prove unfaithful are men.
3. The service of dishonest employees averages six months to three years before they are detected.
4. Nowadays many things formerly considered as luxuries are wrongly regarded as necessities.
5. "Keeping up with the Joneses," and social unrest, appears to cause the downfall of many men, especially the married ones.
6. The craving for an automobile and the "fine feathers" of dress and the granting of almost

"Often the young man takes his employer's money to buy the things that a fast age have put at a premium"

ments enumerated are only expressions of individual opinion, and it would be impossible to find any two cases of dishonesty where all the circumstances were exactly parallel. On the other hand, these claim men have played a part in many business tragedies, some of them for a score of years, and some handling cases well up in the thousands, so that their collective expressions give perhaps as accurate an insight as it is possible to obtain.

Contrary to the general belief, few who were unable to keep their fingers out of their employers' money have, in the judgment of these claim superintendents, been led into dishonesty through market speculation and gambling.



the Cleveland superintendent, "to be the cause of embezzlement, but not guilty of the embezzlement itself."

One superintendent wrote that during ten years' claim work he had handled but two claims for bonds for women. These women were postmasters, and the losses were small, not involving any element of dishonesty.

The general conclusions of our adjusters appear to be that women are inherently more

honest and scrupulous than men. The change of modes of living, and the fact that a great many things formerly regarded as luxuries are now classed as necessities, are held responsible for much dishonesty. Underpayment of employes, liquor and pleasures also are given as factors.

Many believe that if employers were more strict in their supervision, much of the tragedy of dishonesty would be avoided. There seems to be a prevalent general disrespect for law and order, according to the replies, in a great many cases bred by laws which are not enforced or which do not meet public sympathy, resulting in social unrest and dissatisfaction. Many of the writers conclude that family training and school training are on the wrong tack, and that there is no attempt to instill ethical or moral principles in the young.

What's Wrong With Our Ideals?

"THE PRESENT generation has different standards of living," says one. "Its philosophy is conducive to peculation. Until recently the young married man started saving for a home, and very shortly bought it. He was content to come home, spend his evenings with his family, and perhaps indulge in two buckets of beer at five cents a bucket. Saving his money and owning his home gave him stability and self-respect."

"Today the young man thinks only of today. When he gets married, he does not know how long he is going to stay married, and never thinks of saving money and buying a home. When his earnings cease, he has nothing to fall back on. The only way he can see out of the situation is to borrow from his employer."

"He is not an out-and-out crook. The majority of the embezzlers today intend to pay back sums taken from their employers, but are caught before they are able to do so."

According to one claim superintendent, the dollar today is regarded as the acme of success, and the desire to get rich quickly, coupled with family misfortunes, has had much to do with breeding dishonesty. Another doubts that underpayment is a factor in dishonesty and blames the war aftermath, stating that people have had their noses in the trough so long that they are reluctant to take them out. This homely expression to a great extent explains the situation. He continues:

"The chief reason given by our principals for dishonest acts is, 'I don't know why I did it.' However, when analyzed, the reason reverts back to the fact that they have been living beyond their means. Along with the flapper and prohibition came a tendency to live at a faster pace and to spend all that they earned, and a great deal more."

A western manager believes that the automobile has had more to do with increase in theft than any other one thing, and that this, coupled with a de-

sire to keep up the same appearance as people who are better situated financially, has brought about many downfalls.

The young folk particularly, according to another, are not satisfied with simple pleasures. They seek artificial amusements which are costly, and automobiles and moving picture theaters have been responsible for some of this unrest.

"The people," he continues, "are no longer content to remain at home. They must be moving about. This costs money and exposes them to temptations which they are unable to resist. Many of them take a job merely to get enough money to have their enjoyment. They do not seem to care whether they work or not, so long as they get the money."

Another writes that easy credits have encouraged people to live beyond their means, and that they have not the character to resist. In a recent visit to one of the largest prisons of the country this manager reviewed the dossiers of a great many criminals and was impressed with their extreme youth. He found some old offenders, but the increase in crime seemed to be infinitely greater in the young. This same manager believes that courts are becoming more lenient in crimes against persons and property.

"A thief or bandit," he says, "now grinds through almost the same hopper as liquor and speeding offenders. Sometimes the court apparently envies the defendant his liquor or automobile, and 'shugs' him a little harder than it does a thief or bandit."

The claim superintendent at New York believes that the light regard for religion and its teaching, the failure of our educational system to emphasize ethics and character, are to be blamed. The same man would not bond married men with three or four children, handling thousands of dollars and receiving a salary under \$2,000 a year. He would foster a campaign of education in the schools, have less emphasis placed on the measure of success as exemplified by the dollar and more emphasis put on the values of moral uprightness and common honesty. He continues:

"The American people are essentially honest, but a large part of them give little time to sober thinking, and their sole reading is

in the newspapers. In these, crime is frequently dealt with in a flippant manner, and the criminal idolized for sensational news value. Improvement in public morals, as in all other things, must come from within and start with those in the higher places."

It is significant that a number consider the leniency of the courts responsible to some extent for dishonesty. Twenty-eight superintendents wrote that the courts in their vicinity were no more severe in punishing offenders, the majority being even less severe, than before the war; that many were inflicting light penalties; and that in some places embezzlement was practically no longer a crime.

In several places it is very hard to get conviction before a jury for thefts from employers, the attitude being that such matters are more of a civil nature, and the court should not be put in the position of a collection agency.

Irresponsibility of Employers

IN CLEVELAND there was a move on foot to have the courts deal out more severe penalties, and the judges agreed not to give indefinite sentences. This, according to our adjusters there, should help considerably to eliminate embezzlements from financial institutions. Not long ago it was a simple matter for a bank employe or officer to embezzle a large sum, turn it over to his wife, make a slight attempt to get away, get caught, admit his shortage, be tried and sentenced to a term of one to five or ten years, possibly spend one year, and still have the amount of the embezzlement. The agreement of the judges to do away with indefinite sentences is regarded as a step forward.

Then, too, there is the problem of the employer's attitude toward prosecution. Frequently it occurs that the employer, once his money is restored by the surety company, is unwilling to prosecute. A number are indifferent, and many are unwilling to prosecute.

A number of the replies criticized the apparent lack of care with which employers select their employes. Several recommended that the vital need is more rigid law enforcement and that nothing will be gained until courts deal out severer penalties.

In this connection, I am reminded of a statement made by one of our Maryland jurists recently—that the man who violates a trust and steals his employer's funds or goods is guilty of far more reprehensible conduct than the bandit or pickpocket. In the latter case there is no violation of trust.

Yet courts often will inflict far more severe penalties on pickpockets, bandits, burglars and the like than on trusted employes who have been guilty of violating their stewardship. This judge urged that concerted action of courts generally in meting out severe penalties to such employes was demanded by



"In the news, the criminal is often idolized and crime made romantic"

the times. A superintendent in the west wrote that it is more difficult to get the whole-hearted assistance of the employers in prosecution than formerly, partly, perhaps, because the increase in crime has somewhat blunted their sense of responsibility; partly because the average employer, with his fast automobile or his liquor, is himself in some degree a law-breaker; and it would not be human if the consciousness of his own misdemeanors did not make him a little more indifferent. This same superintendent blames prohibition more than any one other cause, believing it has made law-breakers of folks who upon no other subject need a statute to restrain them.

"The only way," says a Rocky Mountain manager, "in which we can remedy the situation is to change the method of living and idea of happiness of the people of the present age. We should hesitate to bond young men who have not reached the point of stability of life—that is, men who are not paying for a home and not saving any money, but who are moving from one apartment to another."

Another considers that we are living in an emphatically material age, and the creed seems to be to get money, to get it honestly if you can, but get it. This writer believes that the remedy is a tightening of the public conscience toward those who break the laws. He considers that the present-day attitude is one of condonation, and the criminal is inclined to take advantage of it to the fullest

extent. "The crime seems to receive more consideration," he states, "from our courts and juries than the public, and as a result the public's interests suffer."

Coincident with the questionnaires, I had an examination made of one hundred specific fidelity losses handled by the United States Fidelity and Guaranty Company this year and selected at random. The average amount involved was \$6,121, and the average age of the offending employee, 34. The cases were grouped as follows:

Extravagance—living beyond means for pure pleasure, social standing or ordinary living	22
Crooked ignorance—men dishonest through sheer lack of intelligence	19
Bald dishonesty	13
Honest ignorance—losses not involving dishonesty, but due to low intelligence and incompetence	12
Family and business troubles	9
Office conditions—misuse of funds following general practice, carelessness arising from want of oversight by superiors, and neglect to keep check on subordinates	9
Technical—the principal only legally liable and not culpable	5
Professional—known criminals who get employment	4
Speculation	4
Women	2

As will be noted, of the vices which we were accustomed to think were the chief sources of embezzlement—women, specula-

tion and gambling—there were few instances.

On the other hand, thirty times the wrongdoing arose from ignorance, a man's inability to take care of the money in his possession, mixing his funds with his employer's, and so forth, and his inability to see that using the employer's money was stealing. To the thirty could be added many other cases which have been classified under "extravagance," "office conditions," and "family and business troubles." Of the ninety-nine, beyond any question a majority were due to the employee's having a subnormal intelligence, or at least an intelligence below the average of the man on the street. After such a loss has occurred, the low mental grade becomes obvious in a study of the application.

All in all, attempts to live a little better than the income allows in a time of high prices and luxurious living, and mentality below grade, have brought our burden upon us in the fidelity lines, so far as may be judged by these ninety-nine cases. The term of employment ranged in general from a few days up to three or four years.

If it is at all safe to form conclusions from this small proportion of our losses, I should say that the employer needs protection not only from his employee of high rank who is handling a good deal of money daily, but also from the come-day, go-day, small man whom he is inclined to ignore as a hazard to his funds.

The Relativity of Waste

By ALFRED PEARCE DENNIS

Special European Representative, U. S. Department of Commerce

ACCORDING to the almanacs the moon "changes" four times in every cycle. This is a figure of speech. It is one's view of the moon rather than the moon itself that changes, and this point of view shifts not four times each cycle but every instant during the moon's headlong course about the earth.

By the same loose thinking we personify nature. Nature does this or that. Nature carries out certain intentions about this planet and the swarming life which flourishes upon it. We appeal to bountiful Mother Nature as the rectifier and restorer. But nature knows no rule of justice. A man, through no fault of his own, is born blind. Sweet rains fall on the just and the unjust alike. Disease and destruction are as much the order of nature as health and restoration. It is difficult to think in abstractions.

Truth Is a Trick of the Mind

IN THE Dark Ages, when few could read or write, the Church taught abstract religious truth in terms of pictures and other symbols. Confusion of thought existed about the simplest ideas.

The most universal topic of conversation is the weather. It is cold today! one exclaims. What is meant? Cold to yourself or cold to a polar bear. It is one's own sensation that is unconsciously being described. Is temperature something that has an independent existence of its own? Is not our thought of temperature purely relative, just as our thought of the moon's changes is related to our own position with respect to the moon?

Just so with respect to waste. Our estimates are wholly relative and generally inexact. In popular thought measurements are relative. Such terms as slow and fast, poor and rich, have no meaning except as compared with something else. We see what we

THERE IS much loose talk of waste. We talk of it in terms of millions and billions without stopping to think that what is waste in one place may be economy in another. In the manufacture of industrial alcohol "one concern in the United States last year lost one thousand dollars' worth of glycerol a day." So says *Chemistry in Industry*, but it isn't a real waste, because no one yet knows how to take it out at profit. That is Mr. Dennis' point in this discussion of "The Relativity of Waste," a discussion which he will carry on next month.—THE EDITOR.

want to see. Back of observation lies a whole bundle or complex of habit. A horse is one thing to a jockey, another to a veterinarian, another to a horse trader. Everything that has gone before in individual experience determines one's judgment.

A missionary bent upon converting the heathen finds the Australian bushmen entirely lacking in religious belief, whereas a trained anthropologist finds these tribesmen peopling the earth with malevolent and benevolent deities. To the Italian visitor who has had no butter on his table for four or five years, the abundant supply of butter furnished by a New York hotel becomes a striking and salient thing. Waste is but a relative term decided by the order of precedence of one's values.

Roughly speaking nature knows no waste. Matter is indestructible—moisture drawn up into the clouds by the sun, precipitated again in rain, flowing in a thousand channels to the sea, caught up again into the atmosphere. The cycle goes on unbroken throughout all time. Living things, so to say, creep out of the earth, have their little day and return again to the dust. Matter is immortal. A flowering apple tree thrust its roots into the depths of Roger Williams' grave.

I sometimes think that never blows so red
The rose, as where some buried Caesar bled.

We see what we want to see. To the pessimist the earth presents itself under the aspects of a charnel house in which death and destruction run riot. To the more hopeful man this planet is a fruitful mother, budding, blossoming with life, overflowing with life. Special thinkers deal with the problem of waste.

One Man's Meat Another's Poison

IN THE thought of one we are prodigals squandering our natural resources, running swiftly through our patrimony. To another destruction is only a prelude to broader scale restoration. In the spirit of creative genius great cities have been reared in the wilderness and desolate prairies have been made to blossom into life. We have destroyed the wild buffalo but have stocked the ranges with millions of domesticated animals. We have fetched from the earth petroleum, iron, copper and coal but have turned these inert substances to our daily account.

What is waste? Is it waste to drill for oil wherever it can be found and so serve the demands of a civilization on wheels, or shall the petroleum remain locked up in the ground and time be wasted in slower and less flexible methods of locomotion? Is it waste to have cut down our forests and to have converted



PHOTOGRAPH BY THE AUTHOR

"What shameful waste!" says the American farmer, as he sees the husbandman of the Caucasus using twelve bullocks and four men to turn a single furrow. And he adds: "I can plough twenty times as much ground in a day with my tractor." But over in Asia Minor, where labor is plentiful and cheap, such a seemingly wasteful method of agriculture is actually the most practical

them into dwelling houses, bridges and ships?

Out of cheap lumber we built cheap houses adapted to the means and requirements of a new people under the necessity of improvising dwelling houses in a new world. We are emerging from the age of wood. Wooden houses are a transient phase in a developing civilization. As our lumber supply diminishes and the price rises we automatically turn to brick, concrete and stone. As was said of the Emperor Augustus, he found Rome brick and left it marble.

Let those who have a talent for discovering the obvious occupy themselves with discovering waste. It is all about us. Waste of material, waste of time, waste of money, waste of effort. All inseparable from human existence and all as obvious and depressing as sin itself. Waste—endless, tantalizing waste.

Legitimate Wastes In America

OUT OF a problem that is inexhaustible let one phase be considered—waste as related to American business. It won't do to mix sentiment with business. The sentimental revulsion of seeing two-thirds the cubic contents of a felled tree going to waste in the forest is one thing—but from a business standpoint no waste whatever may be involved. You may point out to a North Carolina lumberman that he is leaving enough wood on the ground in the shape of limbs, slabs, edgings and sawdust to furnish a good sized city with fuel. But you may load some fifteen cords of this fuel in a box car, dispatch it to a northern city and find no customer willing to take over the consignment at the cost of freight. In certain localities remote from coal, forest wood waste may be converted into charcoal at a profit. In such a case it would be proper to speak of waste.

Waste in logging methods and in saw mill management—here one gets at the heart of waste from the business angle. Stumps, tops, limbs and breakages represent a loss of about 28 per cent in lumbering American forests. After the log arrives at the mill 47 per cent is lost in slabs, edging and sawdust. The wide gauge circular head saws are employed in cutting 42 per cent of our lumber output. About one log in six goes to the sawdust pile. This waste could be cut in half by the use of band saws. But the assessment of waste is entirely relative. It would be a waste of time, effort and money to set up a band saw mill on small tracts of timber that can be manufactured at a profit by cheap portable circular saw mills. The economic and business world knows no

waste unless the saving can be accomplished at a profit. What cannot be salvaged at a profit is not waste in the economic sense. As well talk of the waste of atmospheric nitrogen. If nitrogen through the Haber or other ingenious process can be extracted from the air and put on the market at a profit—well and good. If, however, it costs more to fix atmospheric nitrogen, than it does to grow it on the nodules of leguminous plants or import it from Chile, it is idle to talk of letting atmospheric nitrogen go to waste.

Except for meager groves of date palms Egypt is altogether destitute of forests. The wastefulness, the improvidence of it all is borne in upon the observer—a people without native fuel or lumber, cooking food over a smudge of cotton stalks in wretched cabins improvised from Nile mud. The thing is relative. It is a matter of price. When Mohammed Ali laid an excessive tax upon date palms the owners responded by cutting down the trees. The Egyptian farmer has a choice between growing a crop of timber that takes fifty years to mature and a crop of cotton that puts cash into his pocket once a year. In Egypt land and water are too valuable for timber growing. It is purely a matter of relativity.

The growth of long staple cotton, an annual cash crop, has doubled in a generation the value of Egyptian farm lands and enabled two human beings to live in the Nile valley where only one man was able to exist before. Egypt is long of workers and short of land. Agriculture therefore is based upon what can be gotten out of an acre.

In the United States the converse of the proposition holds. We are long of land and short of labor. Our agriculture therefore is based upon the man rather than the acre. Our inventive genius comes to our rescue substituting mechanical for muscular power. An American harvesting machine will do the work of twenty scythemen and do it better. In the rich agricultural province of Emilia, Italy, farm laborers have combined to drive out farm machinery. It is a question of relativity. We possess a surplus of land. Italy possesses a surplus of labor. While one therefore establishes equilibrium by the use of machinery, the other establishes equilibrium by its rejection.

Changes are rung upon waste land that might be devoted to agricultural purposes—abandoned farms in New England, swamps which might be drained for hay fields, deserts which might be watered into fruitfulness. But

the plight of our national agriculture in the past four years has been due not to the lack of land but to its abundance. Too many men in the farming business, an excessive acreage under crops, over-production, flooded markets, declining land values, flight from the soil under the pressure of hard times. As Sainte-Beuve remarks: "We should retire from affairs a little before affairs retire from us."

Waste like beauty exists in the eye of the beholder. We see what we start out to see. Special thinking is like being afflicted with a rare disease. What once seemed inconsequential becomes to the unhappy victim when once possessed of it a thing of most importance and the entire world becomes filled with its sound and its fury. The old Italian toxicologists arranged their poisons in three terms—first, the poison, second, its antidote, third, the drug which neutralized the effect of the antidote. Considering waste under somewhat the same arrangement, we have the evil itself, the specifics prescribed for its cure, the neutralization of the painful effects of the antidote.

Avoidable Wastes in This Country

FIRST as to waste. A half dozen illustrations may be cited out of hundreds that crowd in upon the observation.

Labor turnover: Irreducible minimum of labor turnover due to such causes as sickness, marriage, death. Beyond this an enormous waste of avoidable turnover due to misunderstandings, unscientific adaptations of the man to his job. The avoidable turnover in the metal trades industry alone of the United States in a single year involves an estimated loss of \$100,000,000.

Ill health: Experts estimate that 40 per cent of illness is preventable, meaning such diseases as tuberculosis, typhoid, malaria. The annual economic waste from preventable disease and death in this country among industrial workers is assessed by experts at not less than \$700,000,000.

Faulty Administration: Who can compute in dollars and cents the waste in the building industry through the restriction of output by labor unions, lack of standards in the use of material; or in the coal industry through irregular employment; or the ready-made clothing industry through multiplication of styles?

Wasteful Distribution: Approximately 50 cents of the dollar the consumer pays for bread is absorbed in the cost of distribution. In the case of a multitude of manufactured

articles it costs as much to sell as it does to produce. It costs on an average of 63 cents of the consumer's dollar to distribute 37 cents worth of corn flakes.

Household Waste: Of the fat available for human consumption it is believed that 25 per cent is lost through wastage. Of the carbohydrates about 20 per cent is lost by way of the garbage pail. As a commentary on the wastage of food—under the Hoover nationwide food conservation campaign of 1917, twelve important American cities reported a reduction of about 10 per cent in the gross tonnage of food garbage.

Material lost in manufacturing: Wealth going to destruction in waste paper, shavings from tanneries, clippings from shoes, sawdust piles, culm banks.

Raw Materials: Under present methods of production probably not more than a quarter of the oil in the ground is brought to the surface. In the coal industry something like a quarter of the coal is left underground. Out of a score of possible illustrations, our naval stores industry is an example of ruthless waste.

French Thrift

THE extraction of turpentine, tar and rosin from pine trees started in Maine, swept down the Atlantic coast like a scourge of the black death and now centers on our Southern border. Synchronizing with our merciless exploitation is the artificial establishment of the industry in France. The French naval stores industry is concentrated in the Landes region. A century ago this region was one of the poorest in France and very unhealthy. In 1787 the first systematic work of planting pine trees on these barren lands began. The work was completed in 1865. The trees are systematically replaced when exhausted. There are now no less than 180 plants in France producing naval stores. France has become our chief competitor in the naval stores markets of the world and the U. S. Department of Agriculture is sending a commission over to France to study their methods. With respect to naval stores we have learned the fact that we cannot eat our cake and have it, too.

Now there's an obverse side to all this. We live in an imperfect world, a world that is, rather than a world as it ought to be. A world where sin and sorrow exist, where crime and the drink habit are not completely abolished by legislative enactment and where a thread of imperfection is interwoven into the order of the universe.

Nature knows no rule of justice. Nature in its largeness, oscillates between parsimonies and prodigalities. The crab can only grow by painfully casting off its old shell. Waste, prodigal waste in the spawning of fish, the multiplication of flies. The east wind, with its deluge of rain, the west wind to dry it up. One organism preying upon another. The struggle to catch and eat. The struggle to avoid being caught and eaten. The waste of one era, the wealth of another. Destruction overthrowing and burying underground a

gigantic vegetation to furnish forth after some thousands of centuries a compact carbon fuel for the family gate. And who denies himself an extra scuttle of coal or cuts down his flivver tour into the country for fear the coal and petroleum resources of the world may be exhausted in some generation to come?

We are known as a nation of wasters. But the term waste is purely relative. Man's industry and intellect serve to minister to his little swarming desires. As industry quickens and intellect sharpens there develops a broadening of men's wants and a corresponding increase in the opportunities for their satisfaction. The satisfaction of expanding wants—



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In many lands overseas, where wood is scarce, our lumbering methods seem criminally wasteful. The tree stumps which we leave, they would dig up and use for fuel; they would gather, as well, the branches and twigs that we abandon. Their labor is so cheap that they could profit by so doing, while our labor costs are so high and our fuel supply so plentiful that such reclamation would not be worth the time and money expended in clearing the ground in the wake of the logging crews.

the pressure of these internal needs upon one's external lot. Inventive genius comes in—science; the magic of chemistry—cunning, tireless machines.

The power of inventive genius operating through chemistry and mechanics ceaselessly seeks to extract the maximum of value from raw materials. Our research and executive scientists are already outstripping the Europeans in chemistry and metallurgy. We are getting more than we formerly dreamed of out of low-grade ore bodies and dilute wastes. The soul of our industrial genius is abbreviation—to do things quicker and better than they have been done before. Duplexing of steel by combination of the Bessemer and open hearth processes reduces the time of manufacture by three-fourths. Energy generated by coal at the pit's mouth and sent over a slender wire to a distant factory in an instant. Shore cuts in the distribution of intelligence—the telephone, the telegraph. Mobility of movement—the automobile.

We take an ancient art, such as tanning, and

extort from it through chemical research hidden possibilities, secrets. In tanning we have reduced to days processes which once required weeks. This conquest of time and space is only another name for the conquest of waste. Through our highly developed chemical and mechanical technique we save not only time but material. Our big central power stations produce electricity at about one-third the fuel consumption of the small isolated power plants of twenty years ago. The centralization of all the small power units of the city of Chicago would effect a saving in coal of three million tons per annum. This centripetal movement is going on apace.

The energy used in coking a ton of coal by the beehive process is about one-third the heating value of the coal. The same operation in a by-product oven involves an expenditure of only one-twelfth the heating value of the coal. Coking of coal by the beehive method is extremely wasteful. Our science is reducing this waste. In 1913 the percentage of beehive to total coke produced was 72.5 per cent. In 1923 the percentage had sunk to 32.4 per cent.

Saving by Machine

WE ATTACK waste from every angle in our industrial management. First, from the angle of avoidance. Time and energy are conserved in factory management. Much is accomplished by scientific routing. The raw material travels through the factory by the shortest route emerging at the other end a finished product. No doubling back—no lost motion. Waste is eliminated in speeding up the time in which operations are accomplished. Our labor costs are higher than in any other country of the world. Consequently we are thrown back for economies upon the use of machines.

A New England textile mill has completed an automatic installation which permits one operator to tend thirty looms in contrast with a maximum of eight looms tended by one operator under the old system. In foreign mills the automatic loom is the exception and even in Lancashire, it is considered a great achievement for one operator to tend more than half a dozen looms.

And our mechanical genius has developed a plastering mechanism that enables one man to do the work of ten in spreading a given area.

Vast New Coalfields in Norway

NEWs of new coalfields comes from Norway. A survey is reported to have shown 8,000,000,000 tons of high-grade coal—or, on a very conservative estimate, 600 tons per capita—on the Spitzbergen Islands off the Norwegian coast. Many Norwegian companies are already operating, but outside capital is welcome if under the authority of Norway. The major operating company at present is the Store Norske Spitzbergen Kulkompagni, which is said to be in the market for modern mining machines.

On the Transport Throne, via the Taxi

By SILAS BENT

IN TWO rapidly mounting American industries, John Hertz was a pioneer. Today he is the Yellow Cab "king," and manufactures more than nine-tenths of all the taxis used in this country. He is as well the foremost figure in our omnibus world, having a practical monopoly on the manufacture of the double-deck coaches seen on our inter-urban roads and city streets. Incidentally it was he who swung the recent \$25,000,000 merger of the Chicago and New York bus lines.

It would be interesting—and easier—just to make this a "personality story"; for Johnny Hertz, who is still in his early forties, hustled copy as an undersized emigrant boy in a Chicago newspaper office. His father was earning \$15 a week, and the son had to help support the family.

Later he had a try at managing prize fighters. Then—capitalizing his sporting acquaintance—he began selling automobiles on commission. In the first year he made \$850; but there was a new baby at home, and Hertz worked like mad. The next year he made ten thousand, the third thirteen; then he went into an agency, and out of that grew a motor delivery business. A rich man himself, Hertz is credited with having made twenty-five other millionaires.

As I say, it would be easier to begin with the semi-illiterate office boy, whose weak lungs made it necessary to get out into the air on a delivery wagon, to follow his fascinating career past ringside seats to the center of the taxicab and motor bus industries of the United States. But American business life abounds in honesty and industry; and successes from poor beginnings are so common they have become a tradition. What is important is the "plus" which is back of these successes. Once you find that, you find the secret of making a big business out of a little one.

The "Plus" Is Employee Loyalty

IF YOU are managing a haberdashery in Omaha or a chair factory in Buffalo, you may wonder how the operation of a highly specialized taxicab business can obtain any principle generally applicable. Well, the chief principles Hertz put into effect were two: he sold a good commodity at a low price, and he established excellent relations with his employees.

Not that he began that way. The taxicab business he first established consisted of ten heavy limousines stationed at the Chicago Athletic Club. The prices charged were high and continued to be such. The business expanded slowly. Most of the customers had charge accounts, and fees were paid for the cab-stand privileges at clubs and hotels and railroad stations. In order to reduce the fare, Hertz began building light cars, specially designed for the business; he operated them on a cash basis, and he quit paying "baksheesh."

Refusing to pay cab-stand concessions meant that the taxis were not permitted to stand at favored places. Hertz met that handicap. He had found that responding to telephone calls for cabs cost money anyhow, because time and gasoline were wasted in getting to the customer. So he had thirty cars painted yellow, which he had found to be the most conspicuous color, and started them cruising. It was several months before Chicago "caught on"; but after that yellow cabs multiplied at an amazing rate, and because the fare was lower, hotel residents got so they

resisted the blandishments of concession-holding drivers to wait for a Yellow.

That, in a nutshell, is the story of how Hertz reduced the price of his commodity, urban transportation, and vastly increased his turnover. Incidentally, he formed the Yellow Cab Manufacturing Company, and was making his own machines.

But when Hertz had begun to make money hand-over-fist and thought he saw clear sailing ahead, there came a strike. It was a disastrous strike, punctuated by brickbats, and finally, when Hertz muddled through to victory, he was \$97,000 in the hole. While he was fighting he did some tall thinking.

What he had to sell was not merely the commodity of transportation, but the services of his employees; and if that was to be in city-wide demand, his employees must have something more than a sense of loyalty. He would give them part of the profits. He would give them 40 per cent of the net! He would make them partners by selling them stock. He would pay a bonus for good-driving records. He would insure his men. He did all these things.

"There never has been a strike in one of my plants since then," he told me the other day. "There never will be one. Not every man can go to work in our plants or drive our cabs, because we demand a good record and high character; and once a man gets in there's nothing can pry him loose."

"I think sometimes the employer who is rich is likely to forget that the men who work for him are human beings. We have 6,500 employees in Chicago now on a profit-sharing basis, 4,500 of them driving cabs, and they are happy in their jobs. Bankers told me when I started out to do this that I was a wild-eyed radical. I'm not a radical and never was."

"I'd like to hire a ship and send back to their own countries the men who are complaining about American conditions and American institutions. Every one of these fellows has a better opportunity here to lead a happy and prosperous life than he had in his own country, or would have in his father's country, wherever it may have been. The best thing that ever happened to me was that my father went broke in the mountains north of Buda-Pesth and decided to make a new start in this country. I came here as a foreigner, and this country not only tolerated but encouraged me. It will do the same for every other immigrant who is willing to work to succeed."

Chicago the Cradle of Yellow Cabs

CHICAGO is the home of the original Yellow Cab Company. Now there are about six score of them, all founded by John Hertz, including that in New York, which owns the Philadelphia company. While he now has no connection with either of these companies, he supplies them with cars. Nor does he stop with the delivery of a serviceable vehicle. He sells also an expert knowledge of taxicab operation. He helps make banking arrangements; he sends engineers and traffic experts to solve the initial difficulties. He keeps a parental eye on the new company until it is firmly on its feet.

There are now more than a thousand companies, all told, using the cabs Hertz manu-

factures. Last year alone he sold eight thousand. Not only are there yellow cabs in more than a hundred American cities; you also will find them in Montreal, Toronto, and other Canadian centers; in Paris, Mexico City, Buenos Aires, Sydney and Melbourne.

One might suppose that this was enough to keep an energetic man busy. It wasn't. Two years ago Hertz and his associates bought the bus lines in Chicago. Now he operates 335 double-deck coaches over 110 miles of Chicago streets, and is making his own busses. He scrapped the old equipment and the old methods, with both of which there was dissatisfaction, and said he would not extend his routes until the public asked it. It wasn't long before requests began coming in. Hertz reached out and took the traffic expert from the Fifth Avenue Coach Company in New York. Then he reached out, a few months ago, and took the company. It had 315 busses running on 29 miles of streets; Hertz says that when he is asked to extend the routes he will—not until then.

"The old days of grabbing everything in sight under municipal franchises have passed," he said. "Our Chicago bus franchise is for twenty years, and we are not worried about a renewal because we intend to give the best service we can. The public is the customer of the public utility, and if the public isn't pleased, the business isn't a utility, however fat its franchise. I decided at the outset that it didn't pay to fight with city councils or the people who ride in busses. If you ask for a fair franchise, beneficial alike to the city and to the operator, and then give fair value for the fare, you are on the road to prosperity."

Hertz Enters the Bus Business

HERTZ makes motor busses, too. His plant turns out six a day, and he says he has a monopoly of the double-deck type, although his monopoly lies not in patents nor in exclusive rights. It is his belief that this mode of transportation will spread from New York, Chicago, St. Louis and San Francisco, where it is already popular, over the entire country, that busses not only will compete with street cars but with railroads and interurbans.

For many years London has used busses instead of surface cars within the Old City, and last year more than a billion passengers were moved from point to point. In New York the Fifth Avenue busses carried 55,000,000 and the municipal busses 35,000,000 more.

But the bus is spreading all over the world. It was taken up in China as soon as the western world had proved its practicability; and an Englishwoman, who drove an ambulance in the World War, has charge of a line in Algeria, which runs through Sakamody Pass, 3,000 miles above sea level.

The taxicab replaces the old sea-going hansom and "hack"; the motor bus the older stagecoach; and in this transformation the American leader has been an Austrian immigrant whose life reduces itself to hard work and the wish to give more for a dollar than the other fellow. He has never thought it profitable to give so much for a dollar, whether in rides or haberdashery or chairs, that there would not be a profit for the producer. He has merely kept casting about until he has found a way, without impairing his own profit, to undersell his competitor. And he has never so far undersold by unfair methods.

That is the Hertz "plus."

A Temple of American Business

By BEN HALL LAMBE

A NEW CHAPTER in the lengthening record of commercial and trade organization activities—a record which had its beginning, according to Secretary Hoover, in the chronicles of the goldsmiths, the merchants and the other guilds of medieval Europe—began with the opening of the new building of the Chamber of Commerce of the United States, which is to serve as the national headquarters of American business.

The National Chamber, though young, is not new. It has back of it a career of twelve years, during which time it has developed from an intangible idea to an organization of more than 1,300 local chambers of commerce with an underlying membership of over 750,000 corporations, firms and individuals, and an associate and individual membership numbering over 14,000. But, though it existed in name and in fact, it had no national center upon which the widely varying interests of all classes of trade and of industry could converge until the new building was erected.

In this historical perspective the structure is not merely a striking example of modern architecture, which gives it place among the more notable public buildings of the National Capital. It is the architectural expression of a modern development of American business activity, just as the Woolworth Building in New York, designed by the same architect, Cass Gilbert, is the architectural expression of another and somewhat different phase of American business activity.

The latter has been called the "cathedral of commerce." By the same analogy the building at Washington could be called a "temple of commerce."

It will stand for many decades to come as a monument typifying the present period in national industrial and commercial development, as the old guild halls in some European capitals bear witness to the existence of an industrial and commercial order of things long since obliterated in the dust of centuries.

The Nerve Center of Commerce

THE NEW building differs in this respect from any of the buildings which, in increasing number, are being erected at the Capital and which represent various dominant currents of activity in American life—science, labor, agriculture. It is not merely a workshop or office building. It was designed primarily as a gathering place, a common center for the branches of industry and commerce the many threads of which are drawn together in the National Chamber's membership. It is the nerve center, which takes up and radiates the impulses to which business, no matter of what industrial field or section, responds.

The building was erected at a cost of \$2,750,000. This sum was contributed by more than 10,000 business men scattered throughout the country and by 324 trade associations. One thousand and sixty cities are represented in the subscription lists. From this point of view it cannot be regarded as typifying a particular section or industrial

class. Thousands of business men throughout the country, who do not fall within that nebulous category known as "big business" and who have never come into closer contact with Wall Street than that afforded by a sight-seeing bus, helped in the construction of the building by contributing to the fund for its erection. The collective owners represent the widest possible range of interests.

The building, which is of a modernized

persons. Two smaller chambers will seat respectively 500 and 700 and there is a series of committee and conference rooms which will accommodate smaller numbers.

The building as it stands is complete but it is recognized that, as in the case of all structures of such a character as this, time will add much to it. The artistic embellishment will go on. Mural decorations are to be added and it will be made as far as possible an artistic expression of the commercial and industrial life of the time, as some of the old buildings of Venice express the commercial greatness of that ancient seat of trade.

The three upper floors house the administrative and research departments of the National Chamber. The building is so designed that a fifth and extra floor may be added without marring the design. By this arrangement commercial organizations and trade associations meeting to discuss affairs of common interest will have not only a gathering place but will have at hand the facilities of the Chamber and its staff.

There are the four administrative departments, including the Department of Resolutions and Referenda, which gathers up and formulates business opinion by direct reference to the 1,300 member organizations of the Chamber scattered throughout the United States, and the Research Department which constitutes a clearing house for economic and commercial information. Eight representative departments coincide with the major divisions of business enterprise. These are Civic Development,

Domestic Distribution, Manufacture, Finance, Foreign Commerce, Insurance, Natural Resources, Transportation and Communication. In the building are also the editorial offices of THE NATION'S BUSINESS, a national magazine published by the Chamber, which has a circulation upward of 165,000, and the offices of the American Section of the International Chamber of Commerce, which has left its impress upon international economic affairs by paving the way for the adoption of the Dawes report.

The Purposes Clearly Defined

IN HIS address at the midyear meeting of the Eastern Division of the National Chamber, one of the first to be held in the new building, President Coolidge defined the purpose of the National Chamber as follows:

"This is an organization formed to promote the economic welfare of the United States. In its purpose it is thoroughly representative of American life. It has its headquarters at Washington, in order that it may the better cooperate with the Government for the purpose of securing the results desired."

Something of the same purpose is indicated in a statement of the purpose of the chamber made by its former president, Julius H. Barnes.

"As fair-minded men," he said, "seeking to work out a proper relationship of government and industry, a relation which shall encourage and stimulate rather than depress and stifle enterprise, we want contact with fair

"A House Unsullied by Unworthy Action"

FIVE years ago, Mr. Harry A. Wheeler, president of the Union Trust Company of Chicago and chairman of the New Building Committee, said:

"In my judgment, the business interests of this country will never come into proper relationship with the Government and all of its branches until we have been farsighted enough to take a leaf out of the books of other organizations whose influence has been increased and strengthened by such action, and have erected a suitable and creditable home for American Business in Washington, and there raise the physical standard around which American business may rally and in which it may conduct its negotiations, keeping that house as unsullied by unworthy action and negotiations as we would keep a home of our own where our family is housed."

That home has now been built.

classic Greek type, occupies the site of the old brick mansion known for many years to the people of the Capital and the tourists who visited it as the home of Daniel Webster. It looks out upon the northwest corner of Lafayette Square—the fashionable residence district from the forties to the eighties, vestiges of which still exist in the houses of John Hay and Henry Adams, adjoining the Chamber, the house in which Admiral Decatur died after his duel, on an opposite corner, the Dolly Madison House and the old Cameron House.

It is the purpose of the Federal Fine Arts Commission to have in harmonious design all the buildings facing the Square—which the White House fronts from the south. The type chosen is the neo-classical exemplified in the new Chamber of Commerce Building and the Internal Revenue Bureau, which also was designed by Mr. Gilbert.

Characteristic of the former are long rows of semi-detached fluted columns, with Corinthian capitals and entablature, constituting the facades on Lafayette Square and Connecticut Avenue.

But the unusual character of the building is disclosed not in the exterior, fine as it is from an architectural viewpoint, but in the interior, in which respect it differs from any other in the Capital. The entire first floor, surrounding an arcaded court or patio, is given over to halls and chambers for the convenience of member organizations meeting in Washington. The largest of these is an elaborately decorated auditorium, which will seat 1,000

(Concluded on page 39)

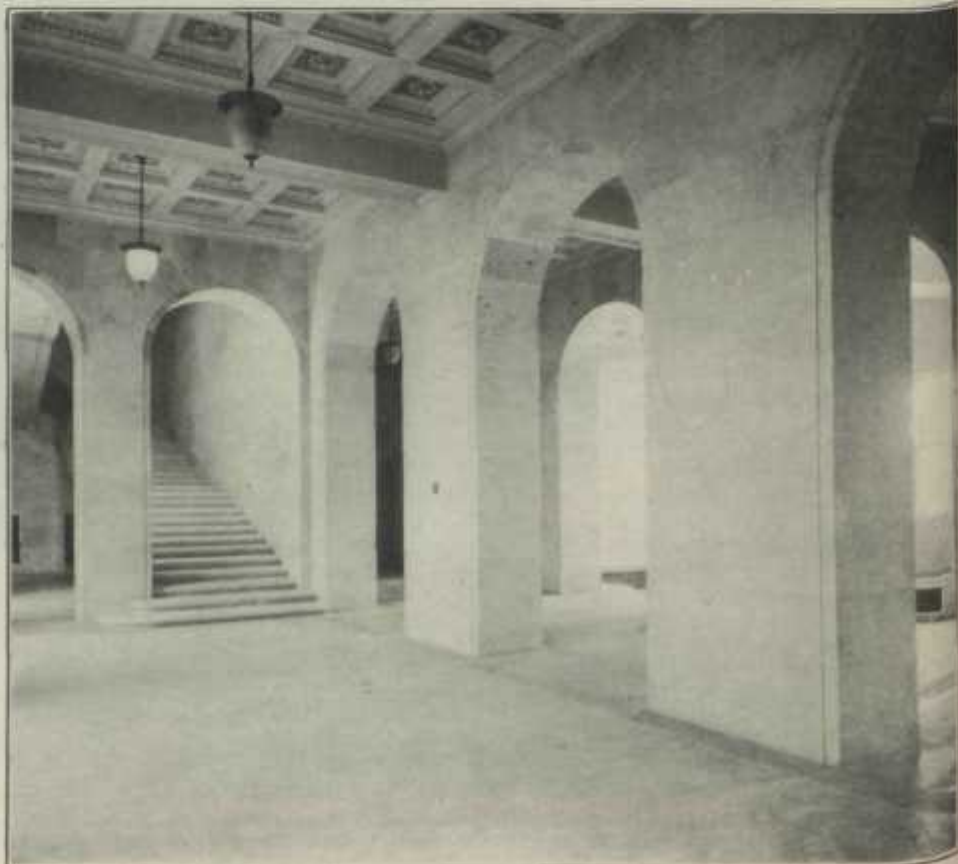


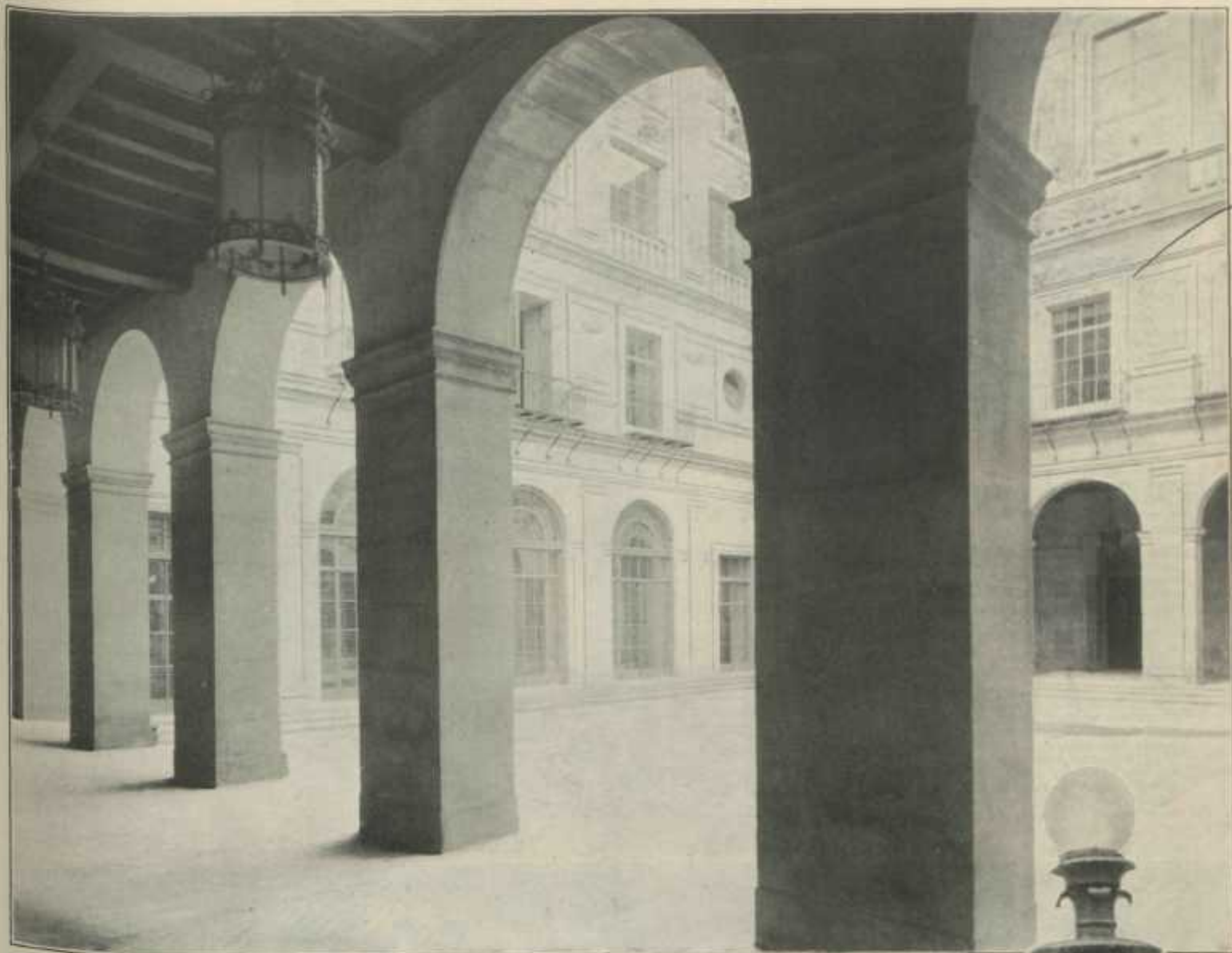
Main entrance to the new home of the Chamber of Commerce of the United States. The massive doors are of walnut, with wrought-iron studs, hinges and handles, and when open, afford a clear view across the lobby into the open-air court. The trees discernible in the background of this picture were caught by the camera through four sets of plate-glass doors dividing Memorial Hall, the open court and the Great Council Chamber.



Memorial Hall, above, serves as the main vestibule. Here will be placed tablets and memorials in honor of our World War heroes. The walls are of soft gray Poulleny Rose stone, quarried in France, while the paneled ceiling is decorated in harmonizing colors. The entrance foyer of plate glass has a framework of brass, and some idea of the height of the main doorway can be had by a comparison with this nine-foot-high vestibule

A view of the main corridor, with its imposing yet graceful arches, is shown at the sight. The corridor walls are finished in similar stone as used in Memorial Hall, while the floors and stairways are fashioned of Roman Travertine marble. While a variety of materials have been used throughout, the interior is distinguished by harmony of design





The open air court, shown above, reflects the Spanish influence. In the center is a low fountain and pool, while on three sides small iron balconies look down upon the patio. Standing at the fountain, one may read a quotation from one of Daniel Webster's speeches, carved in the limestone around all four sides of the court

On either side of the court are wide loggias, framed in arches of pleasing contour and illuminated by hanging lamps, shown at the left. Between the ceiling beams are conventionalized stencils in color, against a deep blue background, showing the engines and implements which trade and commerce have bent to their purpose

The bronze candelabra, shown on this and the facing page, stand sentinel at either side of the main entrance

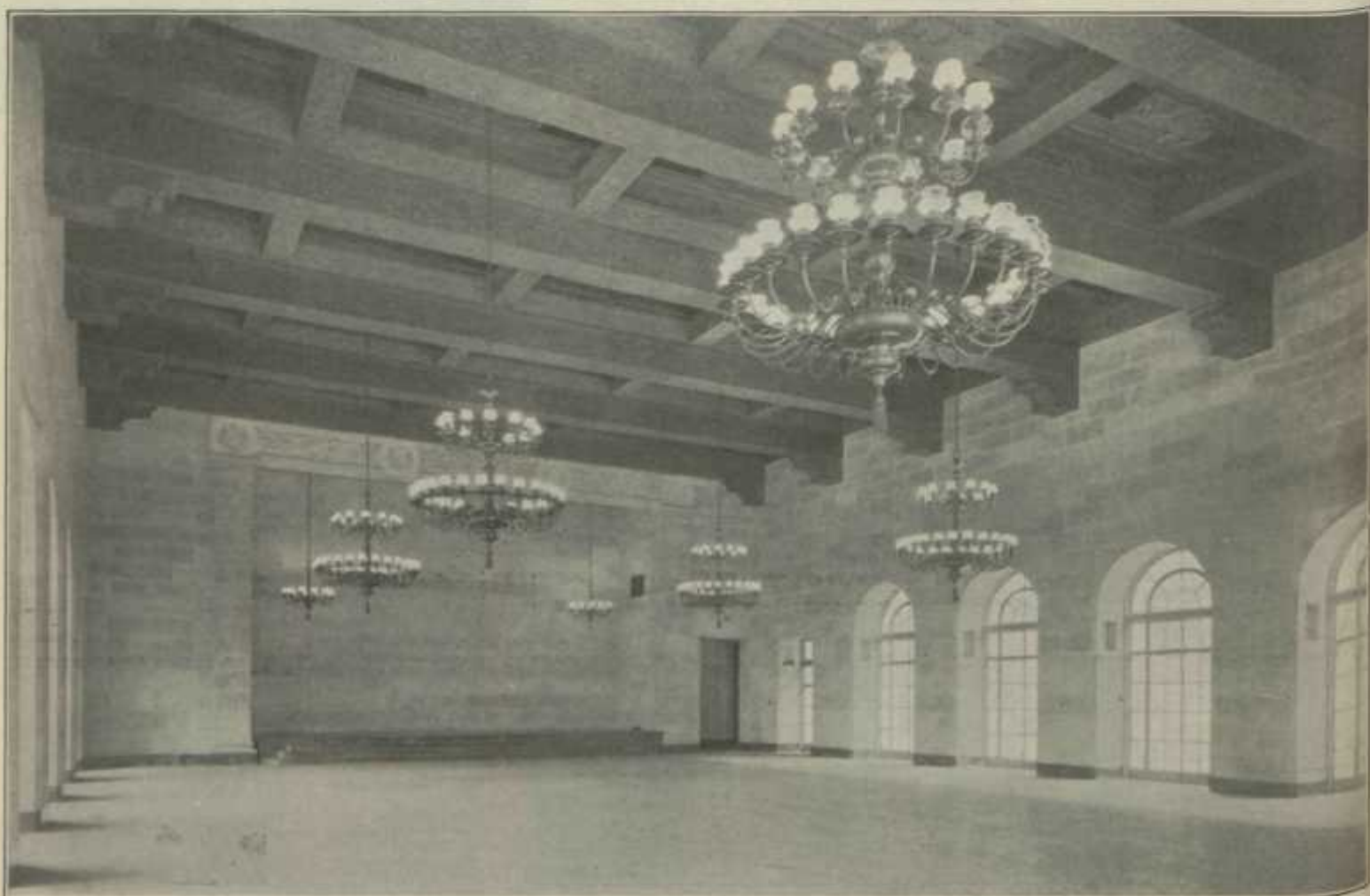




In the upper left-hand corner are reproduced in miniature the terra cotta roundels of polychrome which are set in the north wall of the court. The life size allegorical figures are mounted on a blue background

The main reception hall, shown at the right, has the Early Italian for its motif. The walls are finished in Pompeian red, while the beamed and paneled ceiling is strikingly impressive with Pompeian decorations

The main council chamber, below, is lined with golden yellow limestone, and at night flooded with light from courtly chandeliers. The ceiling is broken by huge decorated beams on which are inscribed the names of the states, a list of notable explorations, and apt quotations from sages of ancient times



(Continued from page 34)

mind men who write our laws and who administer them, believing that accurate and exact information collected in all the channels of trade and focused through the National Chamber, will be welcomed. This home for business means much to the small business man, as it will provide him with direct contacts with other men familiar with the requirements of industrial production, distribution, transportation, finance, insurance, foreign trade and other fundamentals of business."

The United States, despite the fact that it is the greatest industrial and commercial power in the world, lagged behind many of the European countries in establishing a national chamber of commerce. The present institution had its beginning in April, 1912, when at the invitation of President Taft and his Secretary of Commerce, 500 representa-

tives of commercial organizations throughout the country gathered in Washington and laid the foundation for the organization which has become the greatest of its kind in the world—a federation of business men and industrial associations designed to encourage trade and commerce not only between the states and territories but with foreign countries, and, among other things, by securing unified action upon national questions affecting the industrial, financial and commercial interests of the entire country.

In order to ensure the reflection of national business opinion in its activities, an elaborate mechanism has been created for registering the views of all classes of business and all sections of the country. Briefly, the policy of the National Chamber is directed by the more than 1,200 constituent organization members. Individual members file their votes through the organizations to which they be-

long. In this respect the Chamber of Commerce of Blytheville, Ark., and the smaller communities in the west stand on the same footing as the Chicago Association of Commerce or the Philadelphia Bourse.

The same principle is followed in constituting the administrative mechanism of the Chamber. There is a National Council, an advisory body to the Board of Directors, made up of one member from each of the organizations. The Board of Directors itself has thirty-four elective members—the rest being *ex-officio* members—eighteen of whom are elected from geographical districts and fourteen by the business activities grouped under the seven departments.

Each representative department is headed by a manager of wide experience in his respective field and has connected with it a departmental committee of not less than seven nor more than fifteen members.

The Meaning of the New Building

By CASS GILBERT

Architect, Chamber of Commerce Building

IN PLANNING the new building of the Chamber of Commerce of the United States we felt that it should impress all those visiting the Nation's Capital with its substantial character and dignity and that it should be in harmony with the architectural style of the Government's buildings.

We selected Lafayette Square as one of the imposing centers of the Nation's Capital. In doing this we were at once convinced of the necessity that this building should be in keeping with its artistic surroundings. It faces the White House, virtually adjoins the proposed new Department of State Building, and looks out across the park on the Treasury and the State, War and Navy Building.

During President Taft's administration the Commission of Fine Arts was asked by him to make a study of Lafayette Square and to recommend a maximum height for buildings facing this square, with the idea that they should not overtop or overshadow the Executive Mansion. The commission recommended the fixing of a height not to exceed eighty-five feet above Pennsylvania Avenue. This, I believe, later received further official sanction, thereby fixing the height of buildings around Lafayette Square. This limit has been exceeded only once, i. e., on the Arlington site, to provide for a war emergency. The height limitation, I am sure, will be maintained in the future. This rule should be rigidly enforced, and there is no doubt that an informed public will demand that it be enforced strictly and without fear or favor. In matters relating to the preservation of the beauty and dignity of Washington as the National Capital, the whole country has an intense and permanent interest far above local or political considerations.

The Chamber of Commerce of the United States in cheerfully complying with this rule has set an excellent example and should constitute itself one of the guarding forces to protect Lafayette Square in the future.

In that manner the height of the Chamber of Commerce Building was fixed. However, it has been so arranged that by setting back from fifteen to twenty feet from the front, as in the case of the Treasury Annex across the square, two extra stories may be placed back of the balustrade to provide for future growth.

The exterior of the building is designed in the classic Corinthian style so as to harmonize with the dignified and impressive structures of the official departments nearby. It was developed, however with extreme simplicity.

The Chamber and the architect sought to have the building impress by its majestic scale and simplicity of form rather than by elaboration of ornament or detail. This thought has been carried throughout the whole structure.

The features of the interior which will be more generally noticed by the visiting public are on the ground floor. The main entrance on H Street opens directly into a memorial hall. In this hall it is proposed to place tablets and memorials in honor of those who served the nation in the Great War. This hall is lined with marble of a soft gray tone, and the ceiling is paneled and decorated in a handsome color scheme.

A flight of three or four broad steps leads up to the main transverse corridor from which opens the elevator hall. One section of the hall leads to the side entrance, the reception room and certain rooms arranged for women visitors.

Open Court Most Attractive

DIRECTLY opposite the main entrance and beyond the stairs and main corridor is a vista showing through the main stair hall into the courtyard and to the arches of the National Council Chamber. The stair hall also is finished in a soft gray marble and may itself be used for memorials. The vista across the stair hall into the courtyard is one of great beauty, due more to the effects of perspective and of lights and shadows than to any especial elaboration.

The courtyard is about sixty feet square with arcades on the east and west sides. In the center of the courtyard is a low fountain and pool in which a jet of water adds to the beauty of the court. It is intended that there should be a certain amount of foliage such as hay trees, arbor vitae and other plants which will be moved to some storage place in winter and also on occasions when the courtyard is used for assemblies.

On three sides of the courtyard are a series of small iron balconies of light and graceful construction, adapted from similar balconies in Spain. At the third-story floor line the courtyard walls are widened, increasing the angle of light. The terrace formed by this widening is bordered by a limestone balustrade, making a sort of balcony and add-

ing to the accommodations of the courtyard when it is used for large assemblies.

The main council chamber is sixty feet wide by a hundred and ten feet long and about thirty-five feet high. The walls from floor to ceiling are of a golden yellow French limestone known as Crazeanne Anteor. The ceiling of this room is of unusual interest. The great trusses are encased, giving the aspect of huge beams on which appear the names of the States and of explorers, navigators and notable men, with apt quotations of famous authors and sages of ancient times. Rich color in the deep panels and on the lesser beams illuminates the design. This room is to be used for many and varied purposes—sometimes for an assembly room for large gatherings and even for the clerical working force in time of emergency. Its seating capacity exceeds 1,000 persons.

There are several conference rooms conveniently reached from the main entrances, more especially from the Connecticut Avenue side. One seats four hundred persons and is to be available for lectures and large conferences. The other rooms are of lesser dimensions but are used for similar purposes.

The rooms on the upper floors are distinctively simple. Even the board room, large in its proportions, is simply constructed in keeping with the other rooms which go to make up Business' workshop.

The clerical force is placed in large open spaces with few partitions and ample natural light and ventilation; every reasonable accommodation for the comfort and convenience of the employees has been provided.

It is believed that the building will provide a suitable place for the transaction of business, for the reception of foreign guests and for research work, compilation of statistics and collection and dissemination of valuable information so necessary to the understanding of the great economic problems of the world of today.

The inscription around the courtyard, taken from one of Daniel Webster's speeches, is truly indicative of the purpose that inspired the foundation of the Chamber of Commerce of the United States of America and for which this building was erected. It reads as follows: "Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we also in our day and generation may not perform something worthy to be remembered."

The NATION'S BUSINESS

Published by the Chamber of Commerce of the United States

MERLE THORPE, Editor

Washington

January, 1925



For the New Year

TO YOU, our readers, we give holiday greetings. Through the new year, and through all the years to come, we wish for each of you these four things:

1. Friendly relations with the men with whom you work, for progress of man or business rests on the enlightened cooperation of planners and doers.
2. Good-will of those you serve, for good-will not only sells goods and services, but lifts the task above mere money-changing.
3. Cash and credit adequate to your needs, for capital provides the power to continue or expand productive processes.
4. Wise counsel in the management of men and affairs, for every man must depend on others to help steer his course.

The wish is good and enduring because its four elements constitute the elements of successful business. Their proportion may vary, but the lack of any one increases the hazards of failure.

It must be plain that a business or industry will not become permanently great or successful because of cooperative labor, because of the good-will of customers, because of ample capital, or because of able management. Success is won because of the harmonious application of all four elements.

So our wish was made. May it come true.

Elderly, Yet Ever Young

"WHY NOT buy our lamps? They are the cheapest in Carthage."

Potential customers who read this advertisement were not residents of the capital of Jasper County, Missouri. They dwelt in that ancient African Carthage which is now yielding up to excavators its sepulchred secrets. Inspecting the remains of the great Temple of Tanit, scientists found the "ad" on the bottom of a clay lamp. The price was there, too: one drachma.

And the theaters of that elder day advertised with clay masks, hung alike in temples and cabarets. The proprietors of a patent medicine for the baby's ailments advertised it on a milk bottle.

'Tis an old, old art, advertising, ever refreshing and renewing itself. Probably it flourished in Nineveh and Tyre, which were older than Carthage.

The High Cost of Courtesy

COURTESY has not always been prominent in letters written by the Bureau of Internal Revenue, at least from the point of view of recipients. But the bureau has evidence now that it is not lacking in consideration of taxpayers.

The evidence of the bureau's courtesy had its origin in assessment of additional taxes, running up in this instance to a total of some \$47,000. The taxpayer appealed to the old committee on appeals and review, and lost. He asked reconsideration by the Commissioner of Internal Revenue, and received a denial of his request. He a second time asked reconsideration, and got a second refusal. But he had much at stake and was persistent, and protested the refusal of reconsideration.

At this point in events the new law was passed, authorizing

appeal to the new independent Board of Tax Appeals against additional taxes determined after the law was enacted. In the fullness of time thereafter, the commissioner took notice of the protest, wrote that the case had been given "very careful consideration," and that the decision was final.

The assurance of very careful consideration after the new law was passed, the Board of Tax Appeals now says, must be taken at face value. Starting with this conclusion, it added that if there was consideration after the law was passed the decision must have been reached subsequently, and that the taxpayer can accordingly appeal to it. For that reason the board will now proceed to consider the whole matter.

As for the bureau, it can be depended upon to refrain hereafter from using any language that is not strictly accurate both literally and figuratively. The amenities of polite correspondence upon business subjects are likely to disappear altogether from its letters.

"Words, Words, Words"

BEHIND every business letter is the possibility of profit or loss. The motive for writing it and the motive for reading it are among the oldest motives known to humankind. It doesn't need to be entertaining; it need only inform.

In these circumstances it would be unreasonable to expect pen pictures or rhetorical flourishes, least of all "the immense pomposity of polysyllabic verbiage," in commercial correspondence. If we miss the flourishes at least we escape the pomposities.

But it is depressing to be told that "many business men write their routine letters within a vocabulary of 400 words." A professor of English at Johns Hopkins makes the charge. The lexicographer of the New Standard Dictionary—which contains 400,000 words or thereabout—takes up the cudgels of the opposition. He believes that "doctors, lawyers, merchants and chiefs are familiar with, if they do not use, from 8,000 to 10,000 words outside of their professional cant."

An 8,000-word business correspondence vocabulary, it must be said at once, is as depressing as a 400-word one. After listening to this debate, we are inclined to think the business letter does pretty well, thank you!

Stabilizing the Trade Associations

TRADE ASSOCIATIONS that are operating along lines "which are entirely lawful and of inestimable benefit to the members and to the public" are many. This is the attitude of the Department of Justice, expressed by the Attorney General in the annual report which has been made public this month. The complete passage in the report reads:

Practically every industry has its trade association. Many of these are operating along lines which are entirely lawful and of inestimable benefit to the members and to the public; some are groping in the twilight zone of illegality; a few are wholly illegal. Cases involving conscious illegality have been energetically prosecuted. The main purpose, however, has been to center attention upon a number of well-chosen cases which, when finally determined, will define with greater certainty the activities to which such associations may not resort and, on the other hand, aid honest business men to determine what measures of cooperation they may lawfully adopt.

The Oldest Chamber

IT SOUNDS like an Irish bull to say that the oldest British chamber of commerce is in the United States, but no less an authority than R. B. Dunwoody, Secretary of the Association of British Chambers, makes that statement in the *London Times*. It was in 1768, when George III was still ruling these not-yet-united states, that a chamber of commerce was formed in New York, and there was then no existing chamber in Great Britain.

But wait! A later issue of the *London Times* has just come

to hand, and a rival disputes New York's eminence. The Jersey Chamber of Commerce was founded in 1768, and its secretary said that it held its first meeting in March of that year, while the first meeting in New York was not until April. The editor of the *London Times Trade Supplement* adds:

"If that is so, Jersey seems to be the senior; but we know one or two chambers that must be extremely old to judge by their lack of vitality; and we are not going to admit Jersey's claim till these have had ample time to produce their birth certificates."

The Best Policy

JAMES RUSSELL LOWELL said that "'tis prosperous to be just."

American business men seem to know it instinctively. A great Chicago mail-order house, for instance, has voluntarily discontinued the sale of firearms. No official pressure was brought to bear. It was a profitable branch of the business, and could have been continued with perfect safety. But Sears, Roebuck & Co. announced that public opinion disapproved on moral grounds of the sale of revolvers and ammunition. The moral side of all public questions is the right side. Therefore, these business men argued, it is good business to be on the moral side. There was nothing pharisaical about the announcement. It was offered simply as a matter of commercial policy.

And it is a truth which is being demonstrated daily in the lives of business men everywhere.

Can't Deduct Commuting Cost

COMMUTERS by automobile are no better off than commuters by train, when they try to deduct in connection with income tax the cost of commuting as an expense of doing business. At least, this is the decision of the Board of Tax Appeals. No one seems to have taken the question to court, for a decision in that place of last resort for taxpayers.

The cost of running an automobile in which a man rides to and from his office, even when his office is twenty miles away, is not an expense "growing out of and incurred solely in furtherance of the business engaged in," the board said at the end of November. On the contrary, it was held an expense incurred "for the convenience, comfort, or economy of the individual."

The Unwelcome Income Tax

THE INCOME TAX as an institution fared rather poorly in the November elections. In Oregon the voters declared for an end of the tax levied by their state. In Michigan the verdict was against the state placing the tax in its revenue program. In Florida the decision was that there should be a provision in the state constitution forbidding the levy of an income tax. The income tax and its incidents, as recently used, would not seem to have appealed to people's sense of fairness.

They Should But They Won't Retail

RETAILING MEATS is the next logical undertaking for the large American packing houses, according to the officials of the Department of Agriculture who administer the legislation regarding stockyards and packers. This is in the direction of efficiency, they think, and they point to successful retailing in England by a British packing concern that operates 2,600 retail stores.

It seems, however, there are two difficulties in the way of attainment of the course the officials consider logical and economic. Four of the five large packing companies are parties to a consent decree under the Sherman Act and this decree perpetually enjoins them from engaging in the retailing of meats. The other reason is that the largest packers are opposed to any suggestion that it would be in the public interest for them to own and operate retail markets. Under these circumstances the

official view of logic and economics would appear to be very purely academic.

The Dam Banan' in Business

IN HIS just-published "Memoirs" Edward P. Mitchell, long editor of *The Sun*, tells this story of Charles A. Dana:

Down on *The Sun* steps at Nassau and Frankfort there flourished for many years a merchant from Sicily or Calabria who regarded himself as a staff attaché of *The Sun*. His name, of course, was Tony. Mr. Dana used to delight to stop and talk with the vender about his wares and Italian politics. One morning the editor came upstairs and reported with glee this interview:

"Well, Tony, how's business?"

"Vara bad, Mr. Dana, vara bad. Maka da mon on de peanutti, lose him all on de dam banan'."

And that sums up the difficulties not only of Tony but of thousands who are doing business on a larger scale.

Uplift for Noodles

NOODLES have their place in every properly conducted household. They are important for the national welfare. No citizenry without a sufficient proportion of luscious noodles in its diet can be expected to think or fight straight. It is clear that there should be a governmental interest in noodles, in these piping times of official solicitude about all things human.

In our form of government the care of noodles is reposed in the Bureau of Chemistry, of the Department of Agriculture. That bureau has now issued an important announcement regarding noodles. It has acquired information, it says, which indicates that noodles made with the yolk of eggs are as good as those made with whole eggs, and perhaps better.

It fills our breasts with pride to have assurance that our Government is busily at work discovering ways for improving our noodles!

The Demagogue

THERE are persons who constantly clamor. They complain of oppression, speculation, and pernicious influence of accumulated wealth. They cry out loudly against all banks and corporations and all means by which small capitalists become united in order to produce important and beneficial results. They carry on mad hostility against all established institutions. They would choke the fountain of industry and dry all streams. In a country of unbounded liberty, they clamor against oppression. In a country of perfect equality, they would move heaven and earth against privilege and monopoly. In a country where property is more evenly divided than anywhere else, they rend the air shouting about agrarian doctrines. In a country where wages of labor are high beyond parallel, they would teach the laborer that he is but an oppressed slave.

The foregoing might have been written for us today but it wasn't. Daniel Webster uttered it in the U. S. Senate in 1830. It stands as a fair appraisal of all the hollow sounds that issue from perverted soap boxes—sounds that put discord in the ear, discontent in the mind, and malice in the heart. A soap box is no sounding board for harmony.

Starting at the Bottom—Wrong

THE SON of an international banker and the son of a former railroad president went to work the other day as clerks in an Albany department store. The newspapers reported: "Neither has any idea what he will do in his new work or how much salary he will receive." That ought not to be true, but whether it was true or not, it is bad business doctrine to spread before young people. Not even the humblest kid ought to be hired without knowing what his job is going to be and what he is going to get in his first pay envelope.

Starting at the bottom is all very well. But there's no sense in getting off on the wrong foot.

The Strikes That Never Happened

EVERYBODY loses in a railroad strike. The millions who own the railroads lose, the two millions who work for the railroads, with their families lose, the rest of us who eat food or wear clothes or burn coal or have to travel—we all lose.

Strikes there have been in plenty, though, and threats of strikes almost as disastrous in their effects, in spite of the fact that the United States long ago provided machinery in the Erdman and the Newlands Acts to prevent them by mediation and conciliation, or by arbitration.

In important crises the machinery set up proved ineffective. For instance, refusal on the part of the union leaders to accept arbitration, which not even the active intervention of the President could secure, backed up by the threat of an immediate and nationwide strike, secured from Congress the passage of the Adamson Act.

During the period of government operation of railroads an even more elaborate machinery for handling railroad labor matters was set up and yet during 1919, the last year of that operation, there were 248 strikes, large and small, and they caused a loss of nearly two million man days on 153 railroads.

Vitally Needed Tribunal

AT THAT time there were bi-partisan National Boards of Adjustment to handle grievance questions. There was a bi-partisan Board of Railroad Wages and Working Conditions to handle wage matters. Final authority, on the carriers' or government side, was in the Division of Labor of the United States Railroad Administration, with able labor leaders as director and assistant directors. In other words, labor leaders sat on both sides of the table in all important matters—and still there were 248 strikes in a year and the year ended with an unsettled demand for wage increases. The men were dissatisfied and resentful. The morale was low, cooperation was lacking.

This unsettled demand, with the rancor that arose from the delay in meeting it, was dumped down on the door step of the owners when they took back their properties. They had some demands of their own, too, principally concerned with a revision of the so-called "national agreements," codes of rules and working conditions imposed on the railroads during Federal control, which, the managements believed, forced on them extravagantly wasteful ways of getting the work done.

It was into this explosive situation that the United States Railroad Labor Board was born. Created by the Transportation Act of 1920 in recognition of the tremendous public interest in uninterrupted service of the railroads and in the labor cost of producing transportation, it was charged with the task of keeping the peace and seeing that justice was done.

The machinery existing before (substantially the same as that now proposed in the pending Howell-Barkley Bill) had failed. Its failure was due, I believe, to the fact that it took no account of the public interest in the matters involved, and made no provision for a disinterested finding of fact as to what is just and reasonable, and therefore could not bring to bear on either party the pressure of an informed and focused public opinion.

The Boards that had heretofore existed had no real powers at all. Their only function was to glad-hand the parties to a controversy into an agreement, or if that failed to try to

By ROBERT S. HENRY

secure an arbitration and split the difference between the contending claimants, getting each to yield something in the hope of getting something else. Even during the long period of rising wages which was then drawing to an end, these methods had proved themselves ineffective. It ought not to be so hard to get a man to agree to accept a raise in pay, even if it isn't all that he had hoped to get, but that was just what the old Erdman and Newlands Boards had frequently failed to do.

This new Labor Board was different in every respect—in its make-up, its jurisdiction and its powers. It was made up of three groups of three members each, one group representing the carriers, one the labor organizations and a third the great public interest. Its jurisdiction is mandatory. Disputes within the scope of the labor provisions of the Transportation Act must be submitted to the Board's consideration. Should they fail or refuse to do so the Board may take jurisdiction on its own motion. Its decisions are quasi-judicial determinations of what are just and reasonable wages or proper rules and working conditions.

These decisions, however, are without compelling power so far as the parties themselves are concerned. That they are almost always accepted and acted upon is due to their persuasive influence on the great force of public opinion. As time goes on, they are building up a body of continuing precedent in handling railroad labor matters which, though without the force of law, will be effective with the heirs of Anglo-Saxon institutions. None of these things, it will be noted, was possible under the pre-existing machinery to handle these questions, nor would be possible should the Howell-Barkley Bill be enacted.

The real test of a government agency is

results. Does the Labor Board work? Has it justified its existence? The answer to these questions may be found in a brief review of the Board's history.

It was organized and started work on April 15, 1920. Its first act of importance was to increase wages by an average of 22 per cent making the increase retroactive from July to May 1, 1920.

Its next was to start on revision of rules and working conditions. These questions have not attracted the public attention accorded to wage matters, perhaps because they are so complicated and obscure to the outside mind that they can hardly be compressed into headlines, but they are of the utmost importance in railroad labor relations.

During the United States railroad administration new bodies of rules had been imposed on the railroads. Many of them, in the opinion of the managements, were designed to "make work." They specified the work that men of the different unions might do. Frequently half a dozen men were required for a job that might well have been done by one or two.

Six Men to Place Brass Plate

FOR EXAMPLE, on most railroads there is bolted to the sides of the engine cabs a little brass plate bearing a string of cabalistic letters and numerals, which to the initiated tell the classification of the engine and about what it may be expected to do. Under the national agreements the job of putting on that plate required the services of a boilermaker and his helper to bore holes through the sheet metal of the cab side; a carpenter and his helper to bore holes through the wood framing behind it; and, finally, a machinist and his helper to put in the bolts, put on the nuts and tighten them. All this for a plate not over a foot long and three inches wide!

While the Board was considering this rule (and hundreds of others, more or less like it) the bubble of the boom burst. Railroad traffic went the downward way of everything else. The cost of living began its decline. Railroad managements proposed to their employees a cut in wages. The employees quite naturally declined to agree. Negotiations failed and the matter was carried before the Board. Hearings were had and in the summer of 1921 the Board issued its second general wage order, this time reducing wages by some 12 per cent. For twenty years before there had been no such thing as a general reduction in railroad wages.

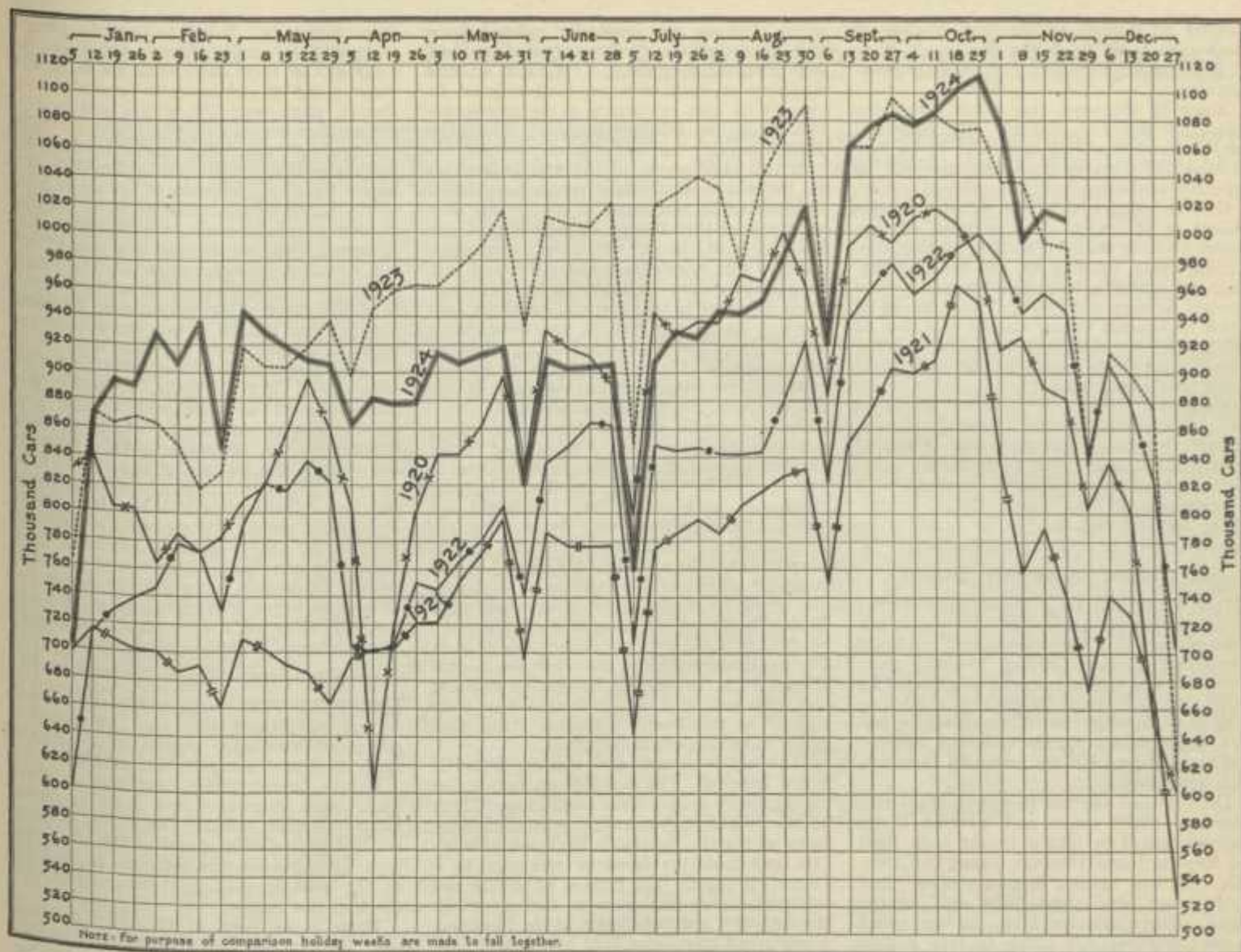
The most important organizations voted to strike. In October, 1921, while the favorable strike vote was in the hands of the railroad labor leaders and before final action had been taken, the railroads served notice that they would propose another cut in wages. The train and engine service men, the "brotherhoods," most of whom felt that a concerted drive against wages was on, prepared to strike.

Mobilization began. It extended not only to the unions and to the railroads, but to all industry. Especially were those responsible for the food supply and health of the great cities concerned. There was little hope anywhere that the strike would be averted—for these were the same organizations that only five years before had secured the passage of the Adamson Act.

At this juncture the Labor Board issued a memorandum making public its plans of pro-



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cedure. It appeared that it would consider no further wage reductions until it had completed the revisions of rules and working conditions which the managements of the roads had urged and upon which it was engaged. The men rightly interpreted this as an assurance that there would be no further wage reductions for some months, at least, and decided not to risk the chances of a strike against the determination of a government tribunal.

Within thirty-six hours of the time they were to have struck they accepted the 12 per cent cut already made and remained at work. The first great strike hadn't happened.

Board Has Standard Rules

BY THE spring of 1922 the Board had completed its work on revision of rules. Meanwhile carriers and their employees had negotiated many rules that were mutually satisfactory. This had resulted in varying rules on different roads, with the Board's standard rules applying only to situations as to which individual roads and their employees have reached no agreement. Of course, these standard rules are not satisfactory to everybody—but they are accepted as a basis for peace. Under them it doesn't take six men to put a classification plate on an engine, either. This liberalization of the restrictive rules is one of the factors that has made it possible for railroads to handle an increased volume of business with smaller forces.

Early in 1922 the railroads again proposed

HERE is a graphic picture of five years of American business as measured by revenue freight loadings. It is one of the best and most interesting of business barometers. The figures are gathered by the transportation departments of various railroads by telephone and telegraph from several agents, and mailed or wired to the car service division of the American Railway Association.

It is interesting to note how marked are the effects of holidays and of labor disturbances. The deep valley in February is, of course, Washington's birthday; and Memorial Day, Independence Day and Labor Day mark similar business halts.

The sharp slump that comes toward the end of October is due to these things: the seasonal movement of crops is over; shipments of late coal and ore have begun to drop; and most of the Christmas goods are well on their way to the retail stores.

Here, too, is a graphic picture of the effect of railroad strikes on business, as Mr. Henry describes in his accompanying article.

The valleys which occur in individual years are thus explained: In the latter part of March and through April, 1920, the railroad switchmen's strike was the cause. The drop on April 1, 1922, and the low level that lasted until mid-August of that year, were due first to the coal miners' strike from April 1 to July 1, and the railroad shipmen's strike from July 1 to August 28. The low trend from March 1 to July 1 of 1924 was the result of the overproduction of coal in 1923 and the large amount carried in storage at the beginning of 1924, plus depression in the coal and steel industry.

to the employees in certain classes a reduction in wages. Again the men refused, as was to be expected, and the matter went to the Labor Board. The Board announced new and reduced rates (substantially restoring the early 1920 level) to apply to shopmen, stationary firemen and oilers, maintenance of way men, signalmen and clerical and station forces.

Strike ballots were taken and the five classes of employees, representing approxi-

mately a million men, overwhelmingly voted to go out. While the other organizations were undecided on their course the shop crafts struck on July 1, 1922, protesting against the wage cut and against the new rules.

The strike caused enormous loss and suffering. Before it was three weeks old, though, its leaders recognized that it had failed and the rest of the time the men were out was spent in maneuvering to somehow get them back into their jobs at the rates of pay and under the rules and working conditions against which they had struck. On some roads this was finally accomplished, on others it has not been accomplished to this day.

Three National Strikes Averted

WHEN the shopmen struck the strongest pressure came on the four other organizations to join them. Certain members of the Board met with their leaders, however, and pointed out to them how little they had to gain and how much to lose by striking against a Board decision. There was no mediation and no arbitration—but there was a very forceful and successful persuasion of the men to accept the already announced decrees of the Board. The stationary firemen and oilers, a comparatively small group, followed the shopmen, but the three other threatened national strikes didn't happen.

That was two years and a half ago. Since that time the Board has not been faced with any national situation of such explosive possibilities. Its work has been along the line of

clearing its dockets of the huge number of cases that faced it at the beginning—many of them inheritances from the Federal administration.

Many of the cases that come before the Board are grievance matters. The difference between such questions and those of changes in rules and working conditions may not be generally understood outside railroad circles.

Grievances have to do with individual applications of the rules. The question whether a man working around a station, making fires, tending lights, cleaning up, and handling baggage and express is a "station attendant" or a "freight handler and trucker" may not be of much importance to anyone but him, but to him it means a difference of nearly a dollar a day in pay. His claim for the higher paid rating would constitute a grievance.

Boards of Adjustment to handle grievance questions existed before Federal control. During Federal control they were organized on a national basis, each board having jurisdiction of all cases of its particular classes of employees in the entire United States. These national boards did not prove strikingly successful in preventing difficulties.

Authorizes Adjustment Boards

THE Transportation Act authorized carriers and employees to cooperate in forming adjustment boards. The carriers have expressed themselves as being willing to form them along local or regional lines. The unions insisted that they should be national or nothing until in 1921 when the train and engine service brotherhoods agreed with the carriers, and regional boards were organized to handle their grievances.

These boards operate to relieve the Labor Board of many cases—such as that of an engineer, called to take a freight train from the Ray yard near Denison, Texas, to Greenville. He was running in pool service, "first in, first out" and stood "first out" on the board. Forty minutes after he was called another engineer was called to take a light engine from Denison proper to Waco, beyond Greenville. The second engineer called got away on the road ahead of the first.

Was the first engineer entitled to claim a "run around"? If so, under the agreements, he would be paid for a hypothetical hundred-mile run in addition to the pay both engineers received for the runs actually made. In this particular case the Board held that he was—but such cases in future should not come before the board unless the adjustment boards of the train and engine services cannot settle them.

Two positions to which the Labor Board has steadily adhered should be noted. As provided in the Act, it has consistently held that the majority of the employees of any

given class on any particular railroad have the right to choose representatives to deal with the management. This right of the majority of each class on each railroad to express its own preference as to representation is one that will be taken away should the Howell-Barkley Bill become law.

It is a requirement of the Act, insisted on by the Board, that when parties have failed to come to an agreement in conference, they must submit their dispute to the board. Cases have occurred, though, where the Board, upon learning that negotiations had failed and that preparations were on for a strike, has exercised its power to take jurisdiction of the controversy on its own motion and the exercise of this power has resulted in heading off possible trouble on at least two important Eastern railroads, one large terminal company in the Middle West and another in the South.

An even more striking illustration, where not even the rumor of a threatened strike reached the newspapers, occurred on October 14, 1924. On that day the Board learned, informally, that negotiations had failed between a large railroad with its headquarters in Chicago and an important class of its employees. The Board took jurisdiction, as appears on page 1 of the minutes of that day, and cited both parties to appear before it. Within less than an hour, and at the same session, as appears from the minutes at page 29, the Board rescinded its action because of the fact that the parties had gotten together and arranged for a joint submission of their dispute to the Board. Another strike that might have happened, but didn't.

It should be remembered that the Board is a new tribunal. The limits of its jurisdiction and authority are not clear in all cases. Many of the "violations" so-called concerned questions within the debatable limits of jurisdiction and took the form of reference to a competent court. The process of testing and interpretation is analogous to that by which the authority and jurisdiction of the Interstate Commerce Commission have been established.

The Labor Board is not perfect. No one

expected it to be. It has, to its credit, though, real, solid accomplishments—which can be measured by these facts: that in 1919, with wages going up and hours of service growing shorter, there were 248 strikes and in 1924 not one was begun.

It is a close approximation to this discarded machinery that the Howell-Barkley Bill, now before Congress, proposes to set up in place of the Labor Board. The heart of the plan is four national boards of adjustment, each to have jurisdiction over all employees of certain classes in grievance matters. The Boards are to be composed of representatives of carriers and labor. The only public participation in them will be to pay the salaries and expenses of their forty members.

There is a Board of Mediation and Conciliation, of five members, to which proposed changes in rules and working conditions must be submitted. If the proposed changes are not agreeable to both sides the Board must use its best efforts to get them to agree, and if that is unsuccessful to try to get them to arbitrate. It is also to pursue a like course should the appropriate Board of Adjustment fail to settle a grievance case. This body can make no decisions; it cannot express an opinion as to whether or not the changes in wages or rules submitted to it are justified; it cannot require parties to agree to submit their differences to arbitration.

Wage Reduction a Tinderbox

PROponents of the bill have declared that its soothing effect would be such that arbitration would be "inevitable." Truly a most optimistic interpretation of history.

It may be regrettable, but there do come times when railroad wages must go down along with other things. The Howell-Barkley bill, though, in effect provides that this may never be unless the men consent. In the light of the past it isn't hard to forecast the effect of this section.

There is one point of similarity, and one only, between the Labor Board and the machinery of the Howell-Barkley Bill. Neither

has any process that will compel obedience to any of its decrees.

The Labor Board is organized with the emphasis on the public interest and with the balance of deciding power in the public; it is open to any and all employees who have proper matters to come before it, regardless of affiliation or membership in a union; it may of its own motion take jurisdiction to head off threatened interruption to commerce; it has power to make findings of fact and determinations of what should and should not be done; it has a continuing existence; giving its decisions cumulative value as precedent, it has proved its usefulness in steadying the descent from the peaks of 1920.



When railroad strikes come, the public—you and I—are the real sufferers. In the country's freight yards, the cars pile up, loaded with coal, food and other necessities of our daily life, and when they move, it is only under military guard. We pay the cost

Old As the Hills Is State Regulation

France, Like England, Found 300 Years Ago that Economic Laws Are Inexorable

By JAMES E. BOYLE

Professor of Rural Economy, Cornell University

Part II—The Frenchman's Wheat



"Twenty wagons were sent out with a company of archers. They were set upon by three thousand peasants; sacks of grain were stolen; the archers sought safety in flight"

IN FRANCE, as well, in the good old days, we have a perfect example of the minute governmental regulation of the wheat industry for the purpose of feeding Paris. In time of scarcity the city was fed. If anybody had to starve, it was the farmer who grew the wheat. Quaint old records of parish priests and doctors tell us the grizzly story. I will tell the tale, briefly, largely in the words of these contemporaries and eye-witnesses.

France in her palmiest days of governmental regulation of the life, liberty, and happiness of the people, under Colbert, had two distinct classes in mind as the sole beneficiaries, the city dwellers and the aristocrats. It is a significant fact that under Colbert there were only 60,000 persons employed in the wool industry, but there were 17,000 in lace making; one hundred years later the output of soap in France was worth only 18,000,000 francs a year, while that of hair powder was worth 24,000,000 francs.

The grain trade of France affords a perfect example of several hundred years of careful and minute regulation by the government. Human ingenuity could scarcely go further. The story of the grain trade in France is a story of Paris against the towns and the farmers, and Paris always won. If anybody starved for the want of bread, it was always the farmer who grew the wheat, not the citizen of Paris, as the old documents show. First, wheat must be kept cheap for the consumer, and hence exports were, at a very

early date, forbidden. Thus an edict of March 12, 1515, addressed to the jurisdictions supplying Paris, declared that "no grain shall be carried from the country in any manner or under any pretext whatsoever." Yet much wheat was smuggled out.

Edicts were of course only words. But they were backed up by force, if the need arose, as it frequently did. The Provost of Merchants in Paris was informed on one occasion in the year 1626, that the merchants' grain trade in Paris

had been interrupted, and that all the towns whence they were accustomed to ship grain had issued prohibitions against export, especially Rouen, Chartres, Soissons, Noyon, Chaulay, La Fere, Roye, Peronne, Montdidier, Saint Quentin, Vitry-le-Francois, Chalons, and Melun. The governors and officers of these aforesaid towns were so strict that they could ship no more grain, so that Paris would be reduced to famine.

The King issued edicts. Still the local authorities failed to obey. The Paris merchants bought supplies, but through fear of local violence could not move the grain. The merchants told the story of "prohibition" and "open violence," saying:

It will not suffice to send parchments, and, unless the Grand Provost and a Company of Archers are sent to chastise the rebels, there is no hope of a successful prosecution of the affair.

The Lieutenant General of Rheims wrote to the King that there was a large quantity of grain at Verdun, but that it would be im-

possible to get it without an escort of regular troops. At Troyes twenty wagons were sent out with a company of archers. They were set upon by three thousand peasants; sacks of grain were stolen; the archers sought safety in flight after being "exceedingly misused." But such riots were finally settled by regular troops, and Paris got the grain.

Frequently there would be a dearth in the country, followed by death by starvation of the peasants who grew the grain. An archbishop, in one of these many dearths, wrote from Montauban these words:

The price of grain has already risen so high that the poor can no longer buy. Seven or eight dead persons are found each day, and in my diocese of one hundred fifty parishes, four hundred people die daily from improper nourishment. I myself feed three hundred poor, each day, in town or on my estates.

On a similar occasion M. Bellay, a doctor at Blois, writes:

In the thirty-two years that I have been a doctor in this province, I have never seen anything that approaches the desolation now existing at Blois, where there are four thousand poor who have flowed in from native parishes. In the country the dearth is greater. The peasants have no bread. They pick up all kinds of meat scraps, and the moment a horse dies, they fall upon it and eat it.

In this same dearth a priest at Blois wrote an open letter to the people in Paris to arouse sympathy and secure help, using this language:

Grain is worth 200 ecus per muid, measure of Paris, and prices are still rising. The poor people in the country look like disinterred corpses. . . . In the fields and along the roads women and

children have been found dead, their mouths still full of grass.

But the towns did not starve. The people in Paris who wore the lace and used the hair powder had plenty of wheat. This was the result of government "regulation" of the grain trade.

It was of course the so-called "middleman" who was the object of the most detailed and unrelenting regulation. Then, as now, he was considered the cause of most of the unpleasant features in the price structure. He was forbidden to make too large a profit on the grain. He was, by the same token, forbidden to accumulate large stores of grain lest he thereby produce an artificial scarcity and high prices. Herein lay the greatest weakness of the restrictions on the dealers, for they ought rather to have been encouraged to lay up stores of grain in times of plenty and low prices, against the time of dearth.

When the merchants were punished for having full granaries, the farmers themselves became middlemen. And when the farmers were fined or imprisoned, their wives took

on the functions of middlemen. Commissioner Delamare reported the results of his investigations into this problem in these words:

They went thither (to Sens)—and finally discovered that a rich farmer of a village near Sens, who worked his farm himself, had his barns filled with old grain, but nevertheless came each market day to buy more. He always paid more than the current price and forced prices up. . . . That day at the opening of the market, the man's wife had come and forced prices up three sous per bichet. . . . The woman was sent to prison.

Municipal corporations in the north of France had many regulations to restrain the grain merchants. The old French records show that, for example, in December, 1693, heavy fines were imposed upon M. Philipon, the widow Cressy, M. Channes, M. Mercer, the widow Chaillot, and M. de la Noue, all of Bray, "for having purchased grain in the country districts of the peasants and farmers, both threshed and unthreshed, and for having gone out of town to meet the peasants

bringing grain to the markets, and for having bid up the price one against another, both outside and in the markets, and for having set prices higher than that of the opening of the market."

It was in the year 1702, that Yves Marie de la Bourdonnaye, Intendant at Bordeaux, expressed the view which a hundred years later began to find general acceptance—"grain is a commodity that cannot be given too much freedom of circulation." But in an age when every middleman was wholly distrusted, when the taint of "monopoly," and unrighteous profits on grain and the scandal of "le pacte de famine" touched even the King himself (and unjustly so), is it any wonder that such a maze of government restrictions was thrown about the dealings in the daily bread of the people?

Paris was fed. To that extent these measures succeeded. The farmers starved. To that extent these measures failed.

Editor's Note: This is the second and final installment of an article on old-time regulation by Professor Boyle.

And What of the Motor Car Industry?

DURING the boom period of 1923 when car production touched the peak point of 4,000,000 vehicles, doubts regarding the soundness of the industry were freely expressed. It was declared, among other things, that thousands of people were buying cars who couldn't afford them, that the widespread practice of selling cars on the time payment or installment plan was unsound and fairly certain to lead to disaster, that the whole motor business in fact was absorbing too much of the country's resources and therefore working serious injury to other industries.

These are all the usual fears and questionings such as attend the growth of any new enterprise of wide ramifications.

The present is an opportune time for examining some of these doubts and fears. The tide of car production has receded from the peak figures of last year, the country has undergone a considerable business reaction with conditions of reduced earnings and unemployment; a situation calculated to throw a heavy strain upon the young industry, and subject it to the kind of test that many believed would spell disaster.

Obviously, nothing of the kind has occurred. So far as I can see the automobile industry has passed through the recent time of stress as well as any other important industry—perhaps even better than any—and is

By ALVAN MACAULEY

President, Packard Motor Car Company

headed away for another period of achievement and prosperity.

Such are the surface indications, at least. A closer examination fully sustains these conclusions.

For the student of underlying conditions there are many ways of approach to the automobile industry, the principal ones being (a) engineering, (b) through the avenues of factory production, (c) distribution through dealers and distributors and (d) financial structure. If these major aspects of the

industry are found not to have been unfavorably affected in the past year, one can justly claim for the industry a resistance to attack equal to the best.

As regards the financial aspect, conditions among the leading automobile companies were never better. This is well known in financial circles, but it is not so apparent to the general public which reads in the newspaper from time to time of this or that automobile manufacturing concern going into receivership or into reorganization, and does not realize that whereas automobile production was at one time fairly well distributed among some hundred different manufacturing companies, conditions have so changed that at present upwards of 90 per cent of passenger car pro-

duction is concentrated in the hands of some dozen companies. These fortunate ones have grown strong; the others must struggle with all the difficulties incident to a situation of this nature.

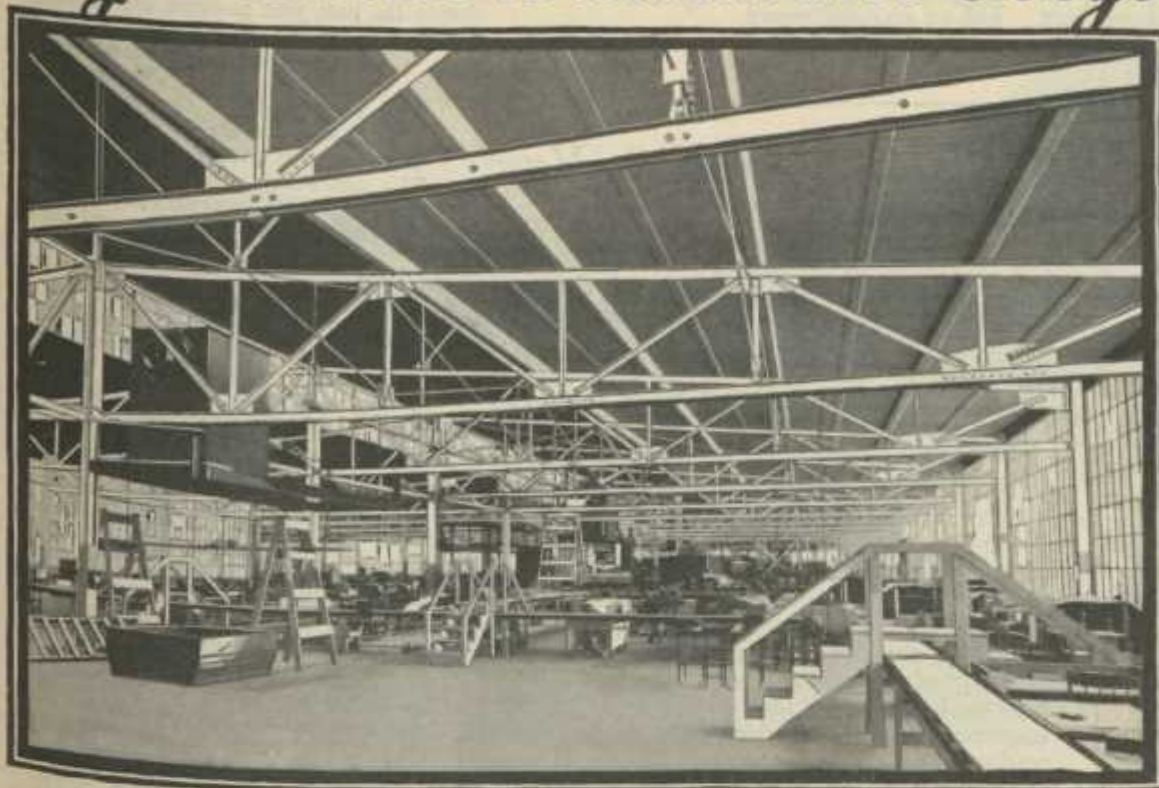
Competent observers are generally agreed that this concentration has brought the elements of strength and stabilization to the industry, since the same economic laws apply to automobile manufacture that apply to other industries. Perhaps their application is even more definite in an industry producing a comparatively high-priced and complicated unit like an automobile.

No important automobile company failed to pay its



Outdoor show space for the display and sale of used cars is now quite a common thing throughout the country, and helps to solve one aspect of the vexatious problem—that of storage.

Big Business Builds The Ferguson Way



The Ferguson-built plant of the Kardex Company, Tonawanda, N. Y.



Do You Realize What H. K. Ferguson Can Do for You?

WHEN Ferguson does your building you deal throughout with one concern. You sign but one contract. You pay but one profit.

No individual architect, engineer or contractors. The H. K. Ferguson Company, handles the work from the first draft of the plans to the last step in the completed structure.

Before you build, you call in a Ferguson executive. You discuss with him the purpose of the building—its requirements—its costs—its relation to the remainder of your plant. This conference costs you nothing. It involves no obligation.

From this meeting Ferguson's preliminary plans and estimates are evolved to meet your particular requirements. When these are acceptable to you, Ferguson's finished plans and estimates follow. To them Ferguson contributes his thorough knowledge of plant problems gained from building for many of America's greatest industries.

Before your building is actually started, Ferguson gives you a binding guarantee covering design, construction work, delivery date and total cost.

The nearest approach to The Ferguson Way is the plant construction organizations maintained by a few unusually large corporations—who are able to carry out their own building programs. There's the same direct contact and responsibility—the same employment of high grade architectural, engineering and construction specialists—the same understanding of the Owner's problem.

No matter where you are located, or what type of factory you require, you can save time and money by building the Ferguson Way. The Ferguson proposition will be furnished to any responsible executive without obligation.

THE H. K. FERGUSON COMPANY

Cleveland Office: 4900 Euclid Bldg.; Phone: Randolph 6854
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Tokio Office: Imperial Hotel, Tokio, Japan

Ferguson

GUARANTEED BUILDINGS

usual dividends last year or found it necessary to resort to the expedient of new financing. The industry, with its investment of a billion and a half dollars, has largely been built up out of its own earnings and it is still free in large measure from the burdens of bond interest.

In the matter of its engineering and research activities there is reason to believe that the industry is even stronger today than it was a year ago. The automobile engine is still in process of development, and while the engine of today is meeting demands which the pioneers of twenty years ago never believed possible, few present-day automobile engineers believe that the last word has been said on the subject.

In my own organization we thought for a number of years the ultimate performance had been achieved in the so-called twin-six engine, but the present-day eight is a step in advance and no doubt there are other steps still to be taken. The rewards for a better automotive product are so immediate and of such substantial proportions that the present trend in the industry is for a more intensive application of engineering research rather than less.

Certainly no backward step has been taken in the methods of factory production. In periods of bad business, when competition presses more closely than ever, the technique of production tends to rise to higher levels of efficiency. An illustration of this is the fact that the individual output of automotive workers is considerably greater today than it was a year ago.

More Cars Per Worker Now

IN THIS connection some round figures will be of interest. In 1922 upwards of 253,000 workers were employed in the industry. In that year the number of automotive vehicles produced was 2,659,064. A little figuring will show the yearly output per worker was ten and a half cars and trucks. Last year on the same basis of figuring, output per worker had increased to twelve automotive units. Four years ago the yearly production of the worker was only seven motor vehicles.

Economic studies made by the National Automobile Chamber of Commerce a short while since developed the interesting fact that the consumer's dollar buys more car today by 11 per cent than in pre-war times. So far as I know, this is true of no other manufactured product or commodity selling in large price units.

To summarize up to this point, it can fairly be said that in these three important phases of the automobile industry it has stood the test of the past year as well as any of its supporters could have asked.

When, however, we come to the subject of car distribution the story is not so simple, for here one is referring to a field in which there are upwards of 60,000 dealers or agents whose relations with the automobile manufacturer and the consuming public take on

varied aspects and culminate in vital problems.

In some very important phases the distributing division has come through the ordeal with an excellent record.

It is now apparent, for example, that the

other years this special class of business has compared favorably with any other kind of commercial credits, and nothing has developed during the past year to cause any revision of attitude on the part of the financing agencies

which specialize in automobile credits. It is now the accepted opinion in the industry that sales of automobiles on the time or installment payment plan has become a fixed and accepted practice, that it is as safe as the general run of commercial credit operations, and that it is not adding an undue financial burden upon the car buyer. I am not sure but that a good case can be made out for the contention that time sales, by extending the market for cars and thus increasing the volume of production, actually bring down the retail prices of automobiles.

Certainly it can be said that the critics of the practice have condemned it in advance of the facts and that the results of the past year offer little to support their position.

Much has been said at times as to the cost of distributing motor cars, many critics of the industry asserting that it was unduly high.

Whether the costs of car distribution can be reduced materially is yet to be proved. Based on the showing of profits of car retailers in the past twelve months certainly a very strong case in favor of reduction at that point can be established. For it is an open secret in motor car circles that retailer profits were in large measure a very negligible item.

Several factors contributed to this, and an examination reveals conditions that appear to justify in a way some of the criticisms directed toward the industry.

Used Cars Real Problem

FOR ONE thing, certain of the manufacturers overstocked many of their dealers to the point of financial disaster. Other dealers were driven to adopting a policy of overallowances for replaced cars with results equally unfortunate. To the credit of the manufacturers be it said that they were quick to recognize conditions, and speedily cut down their production schedules, but not until a considerable amount of havoc had been worked. All car retailers were affected in some degree, even those dealers handling cars of manufacturers who were making no effort to crowd production.

This mistaken policy postponed further any hope of an early solution of the used-car problem, which is easily the chief source of economic waste in the motor car industry. Until the used-car situation

is under control there is little hope of cutting down the cost of car distribution. It is undoubtedly a serious loss to the industry amounting to millions of dollars yearly, perhaps several hundred million.

The one thing to be said in its extenuation is that it is a loss only when viewed from the retailer's standpoint, whereas from the standpoint of the car buyer it really represents a very handsome used-car salvage. This

Another Viewpoint of the Motor Car Industry

By Alfred P. Sloan, Jr., President, General Motors

I BELIEVE the year 1925 is sure to be a good one for our industry. Economic conditions appear to be thoroughly sound and with confidence firmly established, industry is bound to go forward. That means that people will buy motor cars in generous volume. I look forward to a business as measured by sales of cars to consumers at least equal to this year.

I hope we are going to profit by experience. It must be admitted that there was overproduction in the early part of this year. Overproduction simply means an economic loss to all concerned. Although the consumer may temporarily buy to advantage through lower selling prices forced by necessity of liquidation, the cost, whatever it happens to be, must ultimately be passed on to the consumer. Overproduction must be followed by readjustment and a period of more or less reduced employment. This means a lower wage scale and the general upsetting of the whole cycle of industry.

General Motors definitely announced its position as to production some months ago and is consistently adhering to that policy. Our unsold stock of cars in the field at the close of this year will be fully adjusted to that policy and will only be what is necessary to properly move current business. As a matter of fact, such stock will be less than one-half of the corresponding period last year. This is sure to help our dealers. We all recognize that the dealers, for various reasons, have not made a sufficient return on their capital, when considered as a whole. The industry cannot attract men necessary to carry forward the tremendous burden of distribution unless there is adequate reward.

As to the trend of prices, I cannot see any justification of any price reductions. Certainly, material will not be any lower—if anything, higher. I see no possibility of a reduction in the cost of living that would justify any considerable lowering of the wage scale. It is a matter of record that present prices reflect a very close margin of profit to the manufacturer, and the dealer's position we all know. From the standpoint of the public the real worth in the present cars is greater than at any previous time in the history of the industry. I believe that manufacturers who reduce prices in the hope of getting business from competitors are going to be disappointed.

custom of selling cars to the consumer on the installment plan is, so far as the industry is concerned, not an unsafe practice. While no statistics are available, it is generally agreed that during the past unfavorable business period there has been nothing in the way of a wholesale surrender of cars because of the inability or unwillingness of wage earners, salaried workers and others of small means to meet their installment payments. In

It protects the very heart of your checks



THAT check you write becomes money—your money—the minute you sign it. On its way from your desk to the bank it passes through the hands of a number of people, probably unknown to you. Perhaps you take their honesty for granted—but should you? How can you be sure that one of them, a forger, will not raise the amount of your check, so that it will read for several times the amount intended, before it reaches the bank?

Of course, banks use every precaution in paying checks; yet, so clever are professional crooks, that the yearly check-fraud losses of American business men total one hundred million dollars.

There is one way to be certain that your checks are safe at the amount line—the very heart of your personal currency. Use the Protectograph. With indelible ink the Protectograph shreds the amount in two colors into the very fibre of

the paper. It eliminates all possibility of "pen changing"—the clever method that does not need erasures.

In addition, the Protectograph is so speedy and neat that it will be welcomed by your office force.

Please use your letterhead in writing for detailed information on the Todd System of Check Protection.

TODD PROTECTOGRAPH CO., INC.
(Established 1899)
1174 University Avenue, Rochester, N. Y.



1
The Protectograph, it is estimated, eliminates at least one-third of all check frauds by preventing raised amounts.



2
Protol-Greenback anti-fraud bank checks, with their self-canceling VOIDS and the restrictions surrounding sale, eliminate another one-third of possible check frauds by preventing change of payee's name, date and number, as well as "counterfeiting."



3
Standard Forgery Bonds cover the remaining check-fraud possibilities, namely, forgery of signature and forgery of endorsement, which no mechanical agency can prevent.

TODD SYSTEM OF CHECK PROTECTION



however, is only "beating the devil around the stump," and until the situation is reduced to some reasonable condition of control there is little hope of any substantial reduction in the cost of car distribution.

This can be said without granting the contention that the present costs of car distribution are excessive. Unless the writer is wrong in his estimates, the costs of motor car distribution compare quite favorably with

other commodities. For example, few large department stores operate on margins of less than 50 per cent. No important motor car is distributed on any such basis; the average figure, in fact, is probably about half of this amount.

On the whole the used-car evil is the one sore spot in the automobile industry and the chief obstacle to the development of a really first-rate system of motor car distribution.

In other important aspects the industry can give a good account of itself.

When a young and growing industry can readjust itself from a four million car production basis to three million, making this radical readjustment in a short space of time and under conditions of business depression and without noticeable disturbance to its normal functioning, one can fairly say that there is little question of its health and vitality.

The Map of the Nation's Business

By FRANK GREENE

Managing Editor, "Broadstreet's"

BUSINESS history was made swiftly in November, the speculative markets leading in variety and volume of activity and in price gains. Indeed speculation, presumably forecasting later gains in trade and industry, traveled fast and far; and the view was frequently expressed that trade and industrial growth would need to be very large to justify all of the speculative gains.

Optimistic expressions with claims of present, or predictions of future prosperity were numerous. Industrial outputs very generally enlarged though in most cases not equalling the records of the same month a year ago.

Trade, as a whole, may be said to "have made haste slowly," retail trade in the northern half of the country making relatively the best showing—this, by the way, in rather marked contrast with October—while trade feeling in primary lines was much more confident, this finding chief expression in price advances of many staples, rather than in large forward dealings, the season of the year being unfavorable to large buying because of the near approach of the inventory period.

Last, but not least, however, there seemed to be a lifting of all repressive elements, the feeling being that the continuance of the rally from the rather pronounced depression of midyear was assured and that a great deal of reduced production noted last spring and summer would be made up and that, as a whole, a fair year would be recorded.

November Broke the Record

NOVEMBER, 1924, will be memorable if for nothing else, for the big volume of stock market transactions (41,369,925 shares on the New York Exchange) which fell only a trifle below the total of 41,688,897 shares reached in April, 1901. That year, it will be recalled, saw great flotations by which, to use an expression then common, the industries of the country were put into the stock market. Accompanying this active trade was a rise in railway stock average prices to the highest point in nearly twenty years while industrial stock averages rose to only \$8 per share below the peak of the great after-the-war boom in November, 1919.

Coincident with the rise in stocks came a slight strengthening of most, not all, bonds. Liberties were an exception, the hardening of time-money rates by about one-half per cent inducing sales. Lower grade railway bonds were conspicuous in strength.

In the markets for other speculatively dealt in products, notably grain, strength was especially marked in wheat and corn, in the former mainly because of reports of further lowering of foreign estimates of yield, and heavy exports in October; corn on realization of the fact that the American crop was short with over a third of it unmerchantable. The strength in most farm products, notable exceptions being cotton and potatoes, both of which went lower on estimates of greater than expected yields, was reflected in the price

indexes which scored the fifth successive monthly rise from the low point of July.

The activity in speculation found reflection likewise in New York City bank clearings which though 1.3 per cent below October, topped November, 1919, and were the largest since January, 1920. In fact they were only four times exceeded in the country's history. Bank debits were also heavily expanded.

An especially heartening feature in the financial markets was the rise of foreign exchanges, sterling reaching within 19 per cent of par while Dutch, Swedish and Swiss Exchange actually reached or passed par. The rise in other continental exchanges was more moderate but the rise in sterling (British) exchange was like the rise in the stock market here associated with political developments.

One of the significant domestic developments of early December was the offering of thirty-year 4 per cent bonds by the Treasury (some \$200,000,000 worth), which was four times oversubscribed. Final proof, if such were needed, that the wind has set fair, was had in the small number and liabilities of failures in November which while exceeding those of September were below those of November for three years past.

Among the industries, about the best situated line were the metals, especially iron and steel, which were bought heavily for the first quarter of 1925, the railways, agricultural implement manufacturers, fabricators of structural materials and makers of oil country goods all buying freely with the result that pig iron rose \$1.00 to \$2.50 and steel \$2 to \$3, this rise being especially noticeable because of the fact that the low prices of the year were touched early in October. The nonferrous metals were also stronger, copper joining the others after some hesitation.

Lumber orders and production expanded but here prices were complained of as lagging behind production and sale. Coal production expanded, this being helped by domestic buying as much as by industrial takings, although coke buying, prices and production all increased. Petroleum output increased in the mid-continent field while declining in other areas but stocks fell off in October for the first time since January.

November building permits totaled \$224,817,516, a decrease of 15.3 per cent from October and of 8.8 per cent from November a year ago. Eleven months expenditure close to \$3,000,000,000 is 4 per cent over the peak year 1923.

In the textile trades cotton production increased, this being facilitated by the decline in raw material, the price of which is 38 per cent below the like period a year ago whereas estimates of yield are 30 per cent higher. A crop well above 13,000,000 bales is indicated

as against 11,934,000 bales estimated in late July and 10,149,000 bales actual crop last year. Aiding the resumption in New England were wage reductions of 10 per cent. Southern mill operations rose much more rapidly than did those in New England. Cotton goods eased with the raw material and a cut of three cents in gingham prices in November brought out a good deal of business.

Woolen mill capacity at work in October was the largest of the year and the consumption of wool was the largest since May, 1923. Silk mill operations improved in November as did those of carpets and rugs.

Because reflecting the movement of commodities into consumptive channels the big figures of car loadings and the large net operating income of the railroads in recent months are of interest. Car loadings for the week of November 22, 1,010,122, exceeded the million mark again and while 102,000 cars or 9 per cent below the peak week of October 25 were larger than in the same week of November a year ago by 2.3 per cent. Loadings of 47 weeks are only 3.2 per cent below the peak year of 1923. October gross railway earnings on Class 1 roads were 2.6 per cent below those of October last, but operating expenses fell 9.4 per cent, hence, net operating income totaled \$127,105,100, a gain of 22.4 per cent and the largest with two exceptions, July and August, 1918, for eight years past.

Wheat Only Farm Wealth

WHEAT exports have been the great moving force in the recent large figures of outgoing merchandise. Of the \$527,000,000 of exports in October, three groups, foods, cotton and cotton goods and mineral oils represented \$314,000,000 or three-fifths of all as against \$214,000,000 or 53 per cent last year. Of the total gain of \$128,000,000 in all exports over October, 1923, foods furnished \$82,000,000, cotton \$9,000,000 and oils \$7,000,000. Of the gain in foods, grains furnished \$82,000,000 or practically all the gain, wheat and flour accounting for \$59,000,000 of this, rye for \$14,000,000 and barley for \$5,000,000.

Much stress has been laid on the fact that a great deal of the impetus given trade since mid-year has been based on the improved condition of the farmer. This is, it might be pointed out, truer of the wheat farmer than of most other agriculturists. The cotton crop will realize perhaps 30 per cent more in cotton but the December price is nearly 40 per cent lower than a year ago.

The corn farmer, taking him collectively, is getting a 20 per cent smaller yield with a very poor quality crop while his December price is 36 per cent higher. The hog raiser is reported still skinning his droves of all light weight and poor specimens because feed is likely to be high. Higher meat prices seem a certainty as a result.

The potato farmer, again speaking collectively, does not seem to be making a great



You Don't Hire Them By Weight

Every Employer tries to hire Brains.

Brawn is required in many jobs but that alone is not the basis of good work, big results, permanent operation.

You expect your workers to be careful, sincere and loyal. That means, they must work intelligently, with an understanding of their jobs and with the *right attitude* toward their Associates and Superiors.

The great majority of workers come to their jobs with the idea of a "daily grind" without vision or hope beyond so much money for so many hours of work.

They don't suggest improvements in methods, they don't try to better their own best. Too often they think the firm is their enemy, instead of considering themselves a part of the Firm.

Wrong Ideas cost Money, because they breed a thousand forms of Waste.

Our plan puts Brains to work, stimulates Brawn and multiplies Results.

Our 22,000 User Concerns cover every line of Business from A to Z.

Adding Machines, Advertising Novelties, Agricultural Machinery, Aluminum Products, Automobiles, Automobile Accessories, Bodies, Parts and Sales.

Bags, Bakeries, Banks, Barrels, Beds, Bedding, Beverages, Boilers, Boxes, Builders' Supplies.

Cans, Caskets, Cement, Chairs, Chemicals, Cigars, Cleaners, Coal Producers, Confectioners, Contractors, Cotton Mfrs.

Dairies, Department Stores, Druggists.

Electric Equipment and Supplies, Engravers, Envelope Mfrs.

Felters, Filters, Food Products, Foundries, Furniture.

Garages, Gas Producers, Gasoline Stations, Glass Mfrs., Grocers.

Hardware, Hosiery, Hotels.

Ice and Ice Cream Plants, Insurance Offices, Iron Products.

Jewelers.

Knitting Mills, Kitchen Cabinets.

Ladies' Garments, Laundries, Light Plants, Lithographers, Lumber (Mills and Yards).

Machine Shops, Metal Specialties, and Supplies, Musical Instruments.

Oil Refineries, Overall Manufacturers.

Packers, Paint Mfrs., Pen Mfrs., Plumbing, Potteries, Printers, Public Utilities.

Radio Mfrs., Refrigerators, Railways, Rubber Goods.

Sash and Door, Sausage, Sheet Metal, Silk, Shoes, Smelters, Soda Fountains, Sporting Goods, Steel Products, Stoves.

Tailors, Tanneries, Taxicabs, Telephone Companies, Textiles, Tobacco, Tools, Toys.

Underwear, Uniforms.

Valves, Varnish, Veneers.

Wagons, Warehouses, Washing Machines, Watches, Wearing Apparel, Wheels, Wind Mills, Wool Products, Wood Products, Wire Products.

Yarn Mfrs., Yeast Mfrs.

Zinc Products.

MATHER AND COMPANY

General Offices
155-165 E. Superior St.
CHICAGO



Eastern Sales Office
250 W. 57th St.
NEW YORK CITY



The Business Map of Last Month



The Map of a Year Ago



deal of his record crop of 454,000,000 bushels, a gain of 10 per cent in quantity over last year, but his October 15 farm price was 25 per cent lower while in leading markets, prices as of December 1 were 19 per cent lower than a year ago. Hence, reports that some western growers did not find it profitable to dig their entire crop and that some Maine growers are pushed to pay taxes after selling their crop at or below \$1 a barrel.

Retail Trade Gains Expected

OCTOBER as already noted was not an especially good month for distributive trade, wholesale trade while gaining over September, falling 2 per cent behind October a year ago and department store (retail trade) fell 4 per cent behind last year (Federal Reserve Bank figure), although mail-order and chain-store trade gained over that month.

November retail trade from all accounts did almost as well as in the longer month of October and it is fair to expect that all these will show gains over November a year ago. Mail-order and chain-store sales so far reported for November show decreases of respectively 3.7 and .7 of one per cent from

October but mark increases of respectively 14.5 and 17 per cent over November a year ago, the combined trade falling 2.4 per cent below October but showing an increase of 15.5 per cent over November, 1923. Leading mail-order house sales were the largest, except for October, in five years. For eleven months of this year mail order and chain stores with sales of over \$600,000,000 have gained 10 per cent over last year but it is very doubtful if ordinary retail trade will show up as well.

As already indicated most changes in the trade map are in the direction of a lightening of the color indicating quiet, to the gray, indicating fair, trade. In this connection it might be noted that most of the quiet reports have given place to fair in a large part of northern New England, in eastern Pennsylvania and New Jersey, around Buffalo and Pittsburgh where iron and steel operations have increased and in northern Ohio, Indiana and Michigan. The potato interests in Maine note very low prices for the principal crop. The good trade area has also widened in parts of Minnesota.

Chief changes in a retrograde direction are

in southern California, where trade has lagged partly because of warm weather, in parts of Texas where warm weather and some holding of cotton is complained of, and in a belt of Louisiana and Mississippi where drouth hurt crops.

Bang! Cycle Theory Explodes

IN A PAPER read before the American Statistical Society recently, Prof. Irving Fisher of Yale, popularly famous because of his Commodity Price Index, pronounced the business cycle a myth. He says that business cycles so called, having no periodicity, forfeit therefore all claim to being termed "cycles."

Professor Fisher believes thoroughly in the ability of the forecaster to predict accurately on certain data, but considers that changes in economic conditions cannot be counted on to repeat themselves regularly. As who should say, "Because the sun came out after that rain we had in 1897, therefore will the sun shine upon us tomorrow after the deluge of today? Not at all. It may be that we shall have days of dull weather yet—or even another shower or two!"

Figures—or Failure?

Figures are "dry and uninteresting" only to those who can't count over 10—or under a million.

To most of us figures are daily bread, clothes and rent—we *must* "figger or fail." The more we study the figures bearing on our business the better we understand that business.

To all who do business in the Chicago market, advertising figures are of interest and value. They are even vital to success. Therefore, the figures showing how the worlds greatest merchants distribute their advertising among Chicago newspapers are important—very important—to all sagacious business men.

Distribution of Department Store Advertising among Chicago newspapers from January 1 to October 31, 1924:

	Agate lines	Comparison Agate lines
The Daily News.....	5,712,329	5,712,329
The American.....	2,562,056	2,562,056
The Daily Tribune.....	1,977,080	
The Journal.....	1,451,669	
The Daily Herald-Examiner.....	680,701	
The Post.....	584,439	

Sunday Papers

The Sunday Tribune.....	1,584,885
The Sunday Herald-Examiner.....	1,008,495
The Daily News' excess over the next highest score.....	3,150,273

From these figures, showing an *increased* margin of leadership on the part of THE DAILY NEWS, it is evident that advertisers who "check up on results," as these merchants do, are placing more and more of their business in

The Chicago Daily News
First in Chicago

Things to Tell Your Men

ELECTION day in the United States? It is today and tomorrow, the next day, and the day after that. It is every day. We are continuously carrying on a great national election in this country.

The "voters" are the people who spend money for goods. Their dollars are their votes. By the aid of prices the people "elect" the producers who will serve them; they also "elect" the kinds of goods to be made and the amount of employment for the wage earners. By aid of prices the people decide what industries shall have capital; they determine who will make profits and who shall go "broke." In short the people organize and direct the whole business and industrial system.

In a presidential election a voter does not enjoy the power he does in these economic "elections" which are going on all the time. In a presidential election you cannot vote for any man that pleases you; in the last election, for example, you may have wished to vote for Mr. Hoover or Mr. McAdoo for president. You could not vote for either of these men, however, because neither had been nominated. You had to vote for Mr. Coolidge, Mr. Davis, or Mr. La Follette or not vote at all.

In the "elections" carried on by means of prices, your choice is not limited in such ways. You vote exactly as you want to. The price system is democratic—the most democratic ever devised. Let's see how and why this is.

Money the Common Denominator

EVERYTHING that is produced today is produced for the market. The farmer grows wheat not primarily for the purpose of keeping it, but in order that he may exchange it for food, clothing, automobiles, and other products which he wants or needs. The wage earner works in a factory, but what he actually does is to give to society so many hours of his labor in exchange for food, clothing, a radio set, a home, or anything else which he buys. All these exchanges are made with the help of money. On the markets your hour of labor or the farmer's bushel of wheat is expressed in dollars. So with the automobiles, the plows and other articles which you wish to buy. By means of this common denominator of money the exchanges can be made. The basis for the exchanges, expressed in dollars for each article, is what we call its "price."

The act of exchange must go on all the time or the whole business system becomes clogged, and breaks down. We must remember that society is not stationary, but is always moving. Business is an active, continuous thing. It is active and continuous because people are buying and selling, because they are exchanging goods and services.

What happens when there is a business depression? People stop buying—the exchanges are no longer carried on at the rate to which business has become adjusted. Goods have stopped moving. The dealers have stopped buying from the jobbers because their shelves already are full, and the public is not buying from them. The jobbers, in turn, quit buying from the manufacturers, the manufacturers lay off workmen; they quit buying raw materials, and the mines and raw material producers shut down. If the stoppage is sudden and severe there is great unemployment, loss,

By **GEORGE E. ROBERTS**

Vice-President, National City Bank

X—Price, the Basis of Industry

and suffering. We have what is called "hard times." The cause is the failure of goods to move.

The chief purpose of prices, then, is to make goods move—to facilitate exchange—to make exchange go forward—to reflect such a relationship between what you have to sell and what you wish to buy that buying and selling goes on actively and continuously. When such is the case, there is "good business," employment is full, and we are in an era of prosperity.

With this understanding of the purpose of prices we begin to have a definition for that thing called the "right price." There has been much discussion of this matter of the "rightness" of price, as though something moral were involved. Morality does not enter into the subject of prices, however. Prices are "right" when people buy, when goods move. They are wrong when people won't buy. Under this definition prices may be right and still not be low enough to enable the penniless to buy food. To dispense charity, however, is not the purpose of prices. Their business is to establish a basis of exchange. When they do this they are "right" in the same way that you refer to a tool as right when it is operating smoothly and effectively, or a ball team as "right" when it snaps off the plays without error. You don't raise questions of morality about tools or ball teams. They are "right" because they perform effectively the work for which they are intended.

Parable of the Flannel Shirt

ECONOMICALLY, then, prices are right when the flow of goods from producer to consumer is steady and uninterrupted, when people who are making things bring them to the market and take away other things in exchange. This means, of course, that when prices are right they are right for consumers as well as producers. The consumer is the key to the whole situation. He is the man in command. Unless he buys prices are not right, and the whole system breaks down.

This may not seem clear to you if you have just gone into a store to buy a flannel shirt, say, and paid a price for it that you thought was outrageous. You say that prices were certainly not "right" for you in that case. The shopkeeper, we'll suppose, asked you \$3 for the shirt. You told him the price was too high; you reminded him of the fact that before the war you bought the same shirt for \$1.50. In the end, however, you grudgingly hand over your \$3, protesting to yourself that it is robbery.

Regardless of how you may feel personally about the matter, the fact is that when you handed over the \$3 you exercised your freedom of choice in the open market. There was no superior power that compelled you to buy the shirt, even though you did have to have it to meet your requirements of dress. The trouble here is that you individually were not satisfied with a price which people as a group were willing to pay for that flannel shirt—or to put it in another way, there were enough people collectively who wanted

that particular kind of flannel shirt at \$3 to establish the \$3 price for it in the dealer's store. It is the wants of everybody in the market for flannel shirts that sets the price, and not the preferences of one particular purchaser. That's the basis on which the dealer operated when he marked \$3 on his price tag.

The dealer's job is to find the figure at which customers of his store will buy flannel shirts. If he sets the price too high, his shirts won't move, and he has to try again. If he refuses he loses out on the flannel shirt business. The dealer's customers tell him when he is right and when he is wrong. Meanwhile all the other dealers in all the other stores—the groceries, the jewelry stores, the drug stores, the cigar stores—are all finding out from their customers the same thing.

Why is it, for example, that boys selling papers on a railroad train can get five cents for them, when out on the street corners other boys, selling the same papers, can collect only two cents? Why do sandwiches at a ball game or a prize fight fetch ten and fifteen cents when in a restaurant on a street outside the fence you can buy the same sandwiches for five cents? Why is it that suits in a fashionable Fifth Avenue store costs you \$10 more than in an upstairs store, or in one on a side street? Is it because the paper boy on the train, the sandwich vendor, and the fashionable clothing dealer, are robbers—because they are gouging the public, and should be prosecuted under the law?

Buyers Write the Price Tags

THE TRUTH is that when people are on trains or at ball games or prize fights they are willing to pay five cents for papers, and ten cents or fifteen cents for sandwiches. Out on the street they would refuse to buy at such prices, but under other conditions they act differently. The plain truth is that the people set the prices, and if when they went to ball games they would all refuse to buy except at street prices, the chances are that street prices would prevail.

Since consumers themselves set prices, they really shape the course of business activity. What goods, for instance, will the manufacturers of the country make? Consumers will answer that question, unless there is monopoly or other artificial restraint. Producers may decide on certain styles and models, they may advertise, and through salesmanship bring pressure to bear upon consumers to induce them to prefer the things which the producers desire, but in the end the choice is made by the buyer. And since production begins far in advance of consumption, when consumers buy, their purchases in reality become orders to producers for the future.

A tobacco manufacturer brings out a new brand of smoking tobacco in a novel package. You buy it and like it. So do thousands of other men over the country. What is the result? In response to your purchases tobacco factory after tobacco factory is set to making the new tobacco in the new package. The great body of tobacco users have changed the character of production to suit their own tastes and preferences.

Assume, however, that you don't like the new brand of tobacco, and that others don't. The tobacco factories would drop it mighty soon, and continue manufacturing what they know you do like, or seek to tempt you with something else in hopes of obtaining your

Special GMC Tractor Truck with Snow plow attachment—drawn from an actual photograph.



Every GMC Mile Pays a Dividend

Whether the work is usual or unusual, hard or very hard, GMC trucks are paying substantial dividends to the GMC users of America.

Dividends in miles, in longer life, in freedom from the need for attention and repair.

Dividends in more miles per dollar of investment because of the many GMC features that increase durability; among others, these: over-strength design of parts, full pressure lubrication of the GMC engine, GMC Two-Range Transmission and GMC renewability of cylinder walls.

Every GMC mile is like every other GMC mile—it pays a dividend.

GENERAL MOTORS TRUCK COMPANY
Division of General Motors Corporation
PONTIAC, MICHIGAN

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Dealers in Most Communities

General Motors Trucks



When writing to GENERAL MOTORS TRUCK COMPANY please mention Nation's Business

trade. Many people have an erroneous idea about the position of the consumer in modern business. They talk of the big corporations as though they could dictate to the public what it should buy, and the prices it should pay. Except in cases of monopoly this is far from the fact.

The larger a corporation is, the more dependent it is upon the preferences of the consumer, and the more it studies his likes and dislikes. The big corporations make profits by turning out goods in volume—in steady volume—and they are much more interested in "turnover" than they are in trying to boost prices up to the highest possible notch. Take the situation in the automobile field right now. Bit by bit the large manufacturers of closed automobiles are bringing their prices down until you can now get a closed automobile for approximately the same price as an open model. The automobile manufacturers are interested in volume—they are striving to reach price levels for their products that will make more people buy.

When prices operate without interference they permit consumers to say how much of a given commodity shall be produced. Who is telling the radio manufacturers to work night and day now to turn out receiving sets? Consumers, by the rate at which they buy. What makes prices for commodities move up and down at the grocery store, in the grain markets, on the cotton exchange? Consumers again. Sugar rose to mountain heights during the war, because consumers feared a scarcity and all rushed out in the market to lay in a supply. People who never before had bought more than fifty pounds of sugar, laid in a whole barrel. The effect on the sugar market was electric. Prices went up, and up, and up.

The Balloting Is Closely Watched

WE HAVE said that prices afford a democratic way for consumers to determine the course of business, and that the consumer does it by "voting." So he does, his dollars are his votes, and the business men and the manufacturers of the country are the men at the polls. Trust them to watch how the people vote, and to keep careful count of the things which the voters prefer. It pays.

With his "dollar votes" the consumer keeps in business those who manufacture the kinds of articles he wants, or sell him the kinds of goods he desires, at prices he is willing to pay. It is commonly said that there are more automobile manufacturers in this country than there need be, and that ultimately the business will be in the hands of a few large concerns. If this comes about, who will decide what firms shall continue in business, and which ones shall pass out? The "voters" will decide by the ways in which they make their purchases.

There are five grocery stores on a busy city street, each struggling for the market. Which ones shall live, and which ones shall die? The people in that community who buy groceries will decide.

It can be said that modern competitive business is more democratic than most governments that go by this name, and that the "voter" with his dollars has powers that he has not yet gained by years of political struggles extending up through the centuries. There are no representatives to act for the buyer when he spends his money. There are no "bosses" who control his votes, stuff ballot boxes, defeat his will through manipulation. There are no minorities, either, who can force masses of the people to buy articles which they don't want, at prices they are unwilling to pay. What could be more democratic?

When the people order a motor car they don't do it on the basis of a platform put out by manufacturers, and which make a lot of indefinite promises about materials, construction, and service. They step into a dealer's store and pick out the kind of motor car they want. In a few hours, or at best in a few days, they have the goods. And by their purchases, and the flow of other similar purchases from other customers, they set the manufacturing schedules of the automobile manufacturer.

Through prices the workers are distributed among the various industries according to the wants of the population. Every year a new body of young men becomes of age, and is ready to enter the ranks of industry. Price changes which reflect business opportunities determine what fields these young men shall enter.

As an example, consider how the thousands of workmen now employed in the automobile industry were first recruited. The eagerness of the people to have automobiles, and the resulting business opportunities that developed, made it possible for business men to pay prices for capital and labor that attracted both in steady streams. Industries that were going backward, like carriage making, for example, could not compete. Thus a great

shift of the working forces of the country was effected according to the preferences of the people.

Suppose instead of the system of prices, we should attempt to distribute the working forces of the country by governmental order, or by some similar method. Imagine the confusion that would prevail. We would see the farmer arguing for workmen to be assigned to agriculture, the miner pleading for workmen for the mines. States and cities of the well-developed eastern sections would fight the efforts of the newer cities in the west and south to attract labor for the building up of their industries. There would be confusion, disorder, loss.

As it is, the young man entering industry today quietly finds himself a job. He does not know, perhaps, that his job was made for him by the people who spend money—that they chose for him the sort of work which he will do. On the other hand when people spend money they do not often think that by doing so they are creating jobs for other men. The machinery of prices functions silently, smoothly, without conscious thought or attention on our part. Because this is true the existence of the machinery is overlooked, and its effectiveness not generally appreciated.

Chamber's Drive to the West

THE FOUR divisional meetings of the Chamber of Commerce of the United States were held in Washington on October 23-24; Indianapolis, November 17-18; Memphis, November 19-20; and Los Angeles, December 2-3.

The greatest interest was aroused in the Western Division meeting in Los Angeles where representatives from all of the Pacific and Mountain states brought their problems and the solutions thereto to the meeting to be referred to the Annual Meeting of the Chamber of Commerce to be held in Washington during week of May 18, 1925.

President Grant's trip from Memphis to Denver, Salt Lake City, Spokane, Seattle, Tacoma, Portland, San Francisco and down to Los Angeles was a great success. In nearly every one of these cities there were two meetings; first, a general meeting of the Chamber of Commerce, and second, a smaller meeting of the local Board of Directors and leading business men in the city.

Mr. Grant brought the Chamber and its activities forcibly before these gatherings and at round-table talks gathered from them the condition in their cities and the problems in which they were most vitally interested. During the last part of the trip from San Francisco, a special train of eight cars took the Northern Pacific coast delegation to Los Angeles.

Perhaps the most obvious result of the trip through the West was the realization on my part that our good friends of the West coast know that they are a part of the United States, and that the great mountain ranges of the West are no longer a real barrier. They are taking a keener, a more active and more intelligent interest in the affairs of the whole United States. In their enthusiasm, of course, they place their own local problems as most important but they are not oblivious of the rest of the country, its needs and its problems.

The secretaries of the Western Division held a special meeting and passed a resolution to undertake to cooperate with the National Chamber in every way possible.

The Southern Division meeting at Memphis had the smallest attendance. The enthusiasm which was aroused resulted, however, in the invitation from the business men of the nearby states to the President of the Chamber to come to Oklahoma City and conduct a round-table meeting for the purpose of talking over with them policies of actual importance to business.

The Northern Central meeting at Indianapolis was between Los Angeles and Memphis. The outstanding success was the interest taken by representatives from every part of that division in the coming Conference on Distribution to be conducted by the National Chamber. Business men of national standing attended at Indianapolis and took an active and interested part in the proceedings.

The Eastern Division was different from any of the other three in that, as it was held in Washington in the new building, it provided an opportunity for those who came to make a thorough and careful study of the National Chamber and its work.—F. C. P.

Magnetism Makes Itself Heard

THE research laboratory of the General Electric Co. reports that it is possible to hear magnetism.

When a piece of iron is brought up to a magnet it roars—or the magnet roars; at least a roaring noise issues from a loud speaker connected by a coil of wire—and an amplification set—with the iron. When the magnet draws near, a rustling sound is heard—loud and sudden if the approach was sudden, soft and lingering if slow.

It is believed that the phenomenon is caused by the motion of magnetic particles within the iron, groups of atoms turning around to face the magnet as it comes close to it.

Trappers and hunters in the barren places of the north have from time to time reported a rustling noise accompanying the aurora borealis—"like silken banners." Is there possibly an explanation here of the Northern Lights?



The Question we could not answer

In a recent letter the Pennsylvania Transportation Co. said, "We operate a fleet of twelve 5-ton Pierce-Arrow trucks and would like to know what you consider the life of these trucks, which are being given extraordinarily hard usage."

"Every one of our trucks is giving wonderful service and our reason for this request is to arrive at a fair figure for depreciation."

We do not know the answer to this question. It is impossible to determine exactly the normal life of a Pierce-Arrow truck *because many of the first trucks built in 1911 are still in service.* After thirteen years of continued operation these "old timers" are still doing the work of their youth.

The twelve Pierce-Arrow trucks operated by the Pennsylvania Transportation Co. are proving their dependability under extraordinary conditions.

How long do *your* trucks last?

Wouldn't such dependability be a valuable asset in *your* business? The nearest Pierce-Arrow distributor has convincing facts and figures that will form the basis of an intelligent discussion of your haulage problems.

Pierce-Arrow trucks, tractors and motor busses may be purchased, if desired, under attractive financing arrangements. Write us, or ask your nearest distributor for details.

Chassis sizes: 2-ton 3-ton 4-ton 5-ton 6-ton 7½-ton
Tractors: 3-ton 5-ton 7½-ton

Chassis prices range from \$3300 to \$5400

Six-cylinder Motor Bus chassis, \$4600 and \$4750, L. O. B. Buffalo
Prices in Canada upon application

THE PIERCE-ARROW MOTOR CAR COMPANY
Buffalo, N. Y.

When in Buffalo, visit the Pierce-Arrow factory. Capable guides will show you how Pierce-Arrow trucks and busses are built

Pierce Arrow

Dual Valve
HEAVY DUTY MOTOR TRUCKS

Reduce your dealer turnover in 1925

Hidden somewhere in your "profit and loss" statement for the year 1924 are a number of sinkers—dead weight. They have never been entered under their true name, "cost of dealer turnover". If you should segregate them, the aggregate would astonish you. It's a loss that is seldom entered as such—and much of it may be avoided.

More than four thousand manufacturers and national distributors did it in 1924 through the United of Louisville.

You have a sizeable investment in every dealer on your books. Charged against each one is a part of your advertising, traveling salesman's cost, etc. It costs considerable to develop an active retail outlet.

Unskilled collection procedure can wreck it completely and clog your outlet to the public. Then you lose both ways.

The United of Louisville offers you a constructive collection service—a highly specialized procedure that salvages your good will investment along with the overdue account. Decide now to have your Credit Department operate through this organization for three months as a trial and check both costs and results against any comparative period—that will convince you.

UNITED MERCANTILE AGENCIES

Louisville, Kentucky

United Building

Collectors for Manufacturers and National Distributors



Things That Make Shoppers Mad

"I AM so mad I could bite a nail in two." Mrs. Henry K. took off her hat, threw it down and flung her gloves after it.

By BERNADINE M. ANGUS

avoid those places. And strange to say, those superior-mannered salespeople are not found entirely in expensive places; you run across them everywhere.

"What on earth is wrong?" I asked.

"This dress," she cried angrily. "I shall never wear it again as long as I live."

"What is wrong with the dress? It is a perfect beauty; didn't you just buy it?"

Mrs. K. paced around the room in the frothing-at-the-mouth stage.

"Yes, I just bought it, got it especially for the reception today, the first diplomatic reception of the season, and my first season in Washington. When I walked into the drawing room this afternoon what should I see but a duplicate of my dress, positively identical to the last miserable stitch; and Blank's told me it was an original model, the only one of its kind. Oh, I am furious!"

"When she saw mine, I wish you could have seen that woman's face. Never have I seen such an expression. I suppose we both looked the same. It was terrible; she avoided me like the plague, and she was a woman I was anxious to know."

"I shall never buy anything at Blank's again, and I shall warn everyone I know."

The Missing Sports Section

BUT IT isn't always big things that make people mad. Often a very trifling thing will drive a good customer away. A man who lived in the suburbs of a large city always bought his evening paper at one newsstand close to his office, which he passed on his way home. When he stopped for his paper, he sometimes bought current magazines and sometimes cigars.

One evening on returning home he opened his paper and found the sport section missing. Some one at the newsstand had taken it out to read and forgot to put it back. The man was as mad as a hatter and threw his paper down.

"I'll never get another paper at that damn place, or a scrap of anything else," he said.

He now goes a block out of his way every night to another stand.

"What makes you mad when you go shopping?" I asked a woman who spends a lot of money on clothes.

"To be 'dearied,'" she answered without hesitation. "I dislike that most of anything. I bought this hat in Los Angeles when I was out there this winter, and I should never have bought it except that it was exactly what I wanted."

"That hat is wonderful on you, dearie, we sold one very similar to Gloria Swanson the other day. She is a wonderful looking girl isn't she? Try this one, dearie; it's awfully smart. You like the other one better; so do I. Put the hat a little more this way; there, don't you like that better, dearie?"

The woman threw up her hands. "It makes me wild to be mushed over like that. If I had a store I would fire the first person I heard calling a customer dearie."

I asked another woman who shops extensively in New York what her experiences were and what made her mad when shopping.

"To be 'high-toned' by salespeople. It makes me furious. When I go out to spend my money, I don't expect to buy a gown or hat I do not want just because an overbearing, contemptuous saleswoman makes me feel like a dog if I decide not to buy. I

nered salespeople are not found entirely in expensive places; you run across them everywhere.

"A sensitive woman is confused and embarrassed when a haughty salesperson curls her lip and looks at a sister saleswoman with a glance that says, 'Look at this low-life, taking up my precious time for nothing; the idea.' I am not exaggerating it at all; I could tell you of a dozen humiliating experiences I have had."

Two young women who had spent the morning shopping were having lunch together.

"Well, I have just closed my account at R's," said the first one.

"You have?" exclaimed the second one.

"Why, I thought it was the best in town."

"I guess it is; maybe that is their trouble. They know they have the best selection in town, and they all have that air. You know I am furnishing a house, and what I buy I expect to use for years, so naturally I am selecting carefully. But R's rush me and I positively detest it. I have found it in almost every department. If I hesitate over a purchase, they take on a look of resignation and superiority that makes me mad. The final straw was in the furniture department this morning."

"I wanted an inexpensive breakfast set. I have spent so much more on the dining room than I had expected to. When I said the things he was showing me were too expensive, this clerk puffed up and said, 'We don't carry cheap things; our customers aren't interested in that sort of thing.' Then he tried to rush me into buying the one I didn't want. When I refused to buy, he said, 'Of course, you may be able to get it elsewhere.'

"That is just what I shall do," I said, and went straight up to the credit department and closed my account."

That same store maintains a large department of men's furnishings. A man went in one day and bought an overcoat; then he went over to their shoe department adjoining. A young casual-mannered clerk brought out an over-ornamented shoe. The customer, a man with conservative ideas, shook his head.

"I want a perfectly plain shoe."

A Clerk That Loses Trade

THE CLERK was gone for a long time. Finally he came back carrying a shoe as though it were something slimy to touch. He poked it at the man with a sad look. Upon trying it on the man found it to be much too small. He called the clerk's attention to the fact.

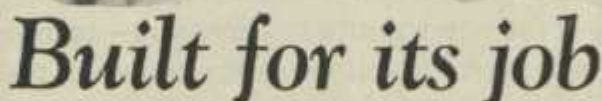
"That is the only size we have. We don't carry old style shoes; we never have any call for that stuff."

The man walked out of the department without a word to cancel his overcoat order.

"I refuse to have fresh young clerks tell me what I am going to buy or insult me if I don't buy what I don't want. If I want shoes with elastics in the sides, I expect to buy them without any one giving me any sass."

Women get mad when buying shoes more than almost any other line of merchandise. Women are sensitive about their feet or else very vain. Try to sell to a vain woman, who prides herself on her slender feet, shoes that are too large or too wide or shoes that make her feet look large, and she will be a tough customer. The vain woman takes up a longer

The largest company-owned motor truck service organization in the world. In addition to these company branches more than 1500 dealers, in as many communities from one end of the country to the other, are ready to serve international buyers.



the truck is to be used. International Trucks are serving their owners faithfully in every job imaginable. Called on for the hardest kind of work, they deliver it. You can expect the same of every International and you will not be disappointed. By standing up to severest service they are living up to a reputation—a reputation earned by other products of the Harvester Company for almost a hundred years.

F O R L O W - C O S T H A U L I N G

When writing to INTERNATIONAL HARVESTER COMPANY of AMERICA please mention Nation's Business



Just A Book of Photographs

A salesman who carries no samples—who does not even know that he has anything you want to buy. A salesman who can't possibly sell you on the first trip—nor the second—who carries as his selling ammunition just a book of photographs of objects that have no place in your plant. And yet a salesman who may save you thousands of dollars annually or give you a better product at a lower cost—that's a Youngstown Pressed Steel consulting engineer.

All that this YPS man asks is the opportunity to show you—to prove right in your own plant the wonderful possibilities for reducing production costs by redeveloping into pressed steel the cast parts you are now using.

He Asks These Questions

- 1 Can the cast parts used in your product be pressed from steel instead?
- 2 If not, can they be redesigned to permit pressing from steel instead?
- 3 Would pressing from steel instead make a better product and reduce cost of production and shipping or give you some added selling points?



If he finds pressed steel will not be useful he quickly tells you so, and you are in no way obligated.

But if he finds pressing from steel instead will be an advantage, our engineering department undertakes

the development of the replacement. Drawings of proposed designs are submitted.

If approved, our force of die-makers and press men starts the actual work of pressing it from steel instead.

This unusual service is at your disposal NOW

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50 East 42nd Street

Warren, Ohio

CHICAGO
1644 Straus Building



time in her selection, but she will usually buy more expensive shoes if she is handled with tact. Some shoe stores make a practice of changing salesmen when a customer is hard to sell. This instinctively makes a customer feel the first clerk is tired of bothering with her. It makes her mad and usually she doesn't buy even though she had intended to.

A large woman with a good-sized foot sits down to buy shoes. She hates to put her foot in the measuring stick, where the clerk presses her foot down to its greatest length. He then looks at the measure dubiously and in a voice loud enough for all nearby customers to hear, will say, "I don't think we have your size in the shoe you saw in the window; six and a half is the largest we have." The customer feels like braining him.

"I can fit you in another style."

"Don't bother," she says, and walks out, hating the whole establishment.

A woman bought a pair of shoes in a large store in the middle west. She wore the shoes the next day and went shopping. When she returned she said the shoes were "killing" her. She looked in the shoes and found them a size shorter than she wore. She was furious and went back to the store with them. The man in charge of the woman's department took her to a seat and measured her foot, then looked at the size of the shoe.

"These shoes do not fit you, madam. I am very sorry, someone has made a mistake."

He gave her a new pair of shoes. She went away a good customer.

And a Red Monarch Is Dethroned

A SUDDEN rush, a blow, scurrying feet and a red stain spreading on the ground—

A monarch has fallen, but there is no agitation in diplomatic or police circles. You may not have heard him tumble off his throne last September, but great was the "squash" thereof.

For he was Old King Tomato, who for years had led, in number of cases packed, the "Big Three" of the canning industry—tomatoes, corn, and peas. A popular vegetable and giving a lot for the money, people consumed between 10,000,000 and 15,000,000 cases a year.

His Royal Nibs had been warned of danger. Tomatoes are packed by thousands of different canners, and lack of standardization on quality made some of the product pretty poor stuff, disappointing consumers and checking demand. But King Tomato gave no heed and failed to pull himself together. This was also true of the corn canners, though perhaps to less degree.

The blow fell when it was found that, despite unfavorable weather, King Pea had seized the throne—passed Kings Tomato and Corn—with an output of nearly 20,000,000 cases, of which Wisconsin packed more than half. With tomatoes or corn, such a quantity would be calamitous—too much for the demand. But with peas there is ample demand, because the pea canners, through the perfection of machinery, adoption of standards, and maintenance of quality, have made the public hungry for peas.

Though this is exceeded only by canned milk in the number of cases packed, yet it's only about four cans per family annually. This leads the "Canning Trade" to predict that even a larger output can be successfully marketed if standards are maintained and carried further, and the product given the stimulus of consumer advertising.

Italian "Auto Strade": Milan to the Lakes

ITALY has recognized the necessity for highways for motorists only and has built one. Whether the aim is more pleasure to motorists or less danger to pedestrians we are not told, nor whether the Fascisti have employed their favorite oil to allay dust and irritation on this new national venture. Suffice to say that, while other nations have been talking such plans, Italy—through the Italian Touring Club, and backed by the powerfully dynamic approval of Signor Mussolini—has taken action. The first three sections of the road were opened for use in September, 1924.

The road is only 53½ miles long, but it makes up in quality what it lacks in quantity, for it leads from Milan to the Lakes—terminating at Varese, with branches to Como and Maggiore—through some of the loveliest scenery in the world. Of its width, 34 feet is for automobiles and the remaining strip of 6 feet for motorcycles.

Facilities have been provided at every point along the road such that, in case of doubt as to direction, signposts, and signals visible at night, point the way; for motor disabilities, there are replenishing stations, telephone booths, shelters, and houses for road men, dotting the margin; and in the event of disaster, first-aid stations are provided, as plentiful as spaghetti. Furthermore, motor traveling workshops patrol the road on the lookout for trouble.

Hundreds of years ago the Romans made concrete and built roads which to this day, in Italy and England, are a marvel of engineering. Yet, when it came to construction of this Italian highway for the Italians, America and American engineers were consulted. Signor Piero Puricelli, originator of the "Auto Strade" scheme, sent his son to the United States to observe and question, and, among other results, eight American road machines, caterpillar type for mixing and distributing concrete, were bought.

Some features of the highway seem less admirable than others: The leveling of hill-rises at some points is steep—1 foot to 16 (that of English roads is 1 to 40), and in places the road is fully 70 feet below the surrounding country; and the curve radius in one or two instances is as sharp as 330 yards (the English rule is half a mile, or 880 yards). But they do not tolerate crossing-risks in Italy! In the construction 300 bridges were built, many of them over railways.

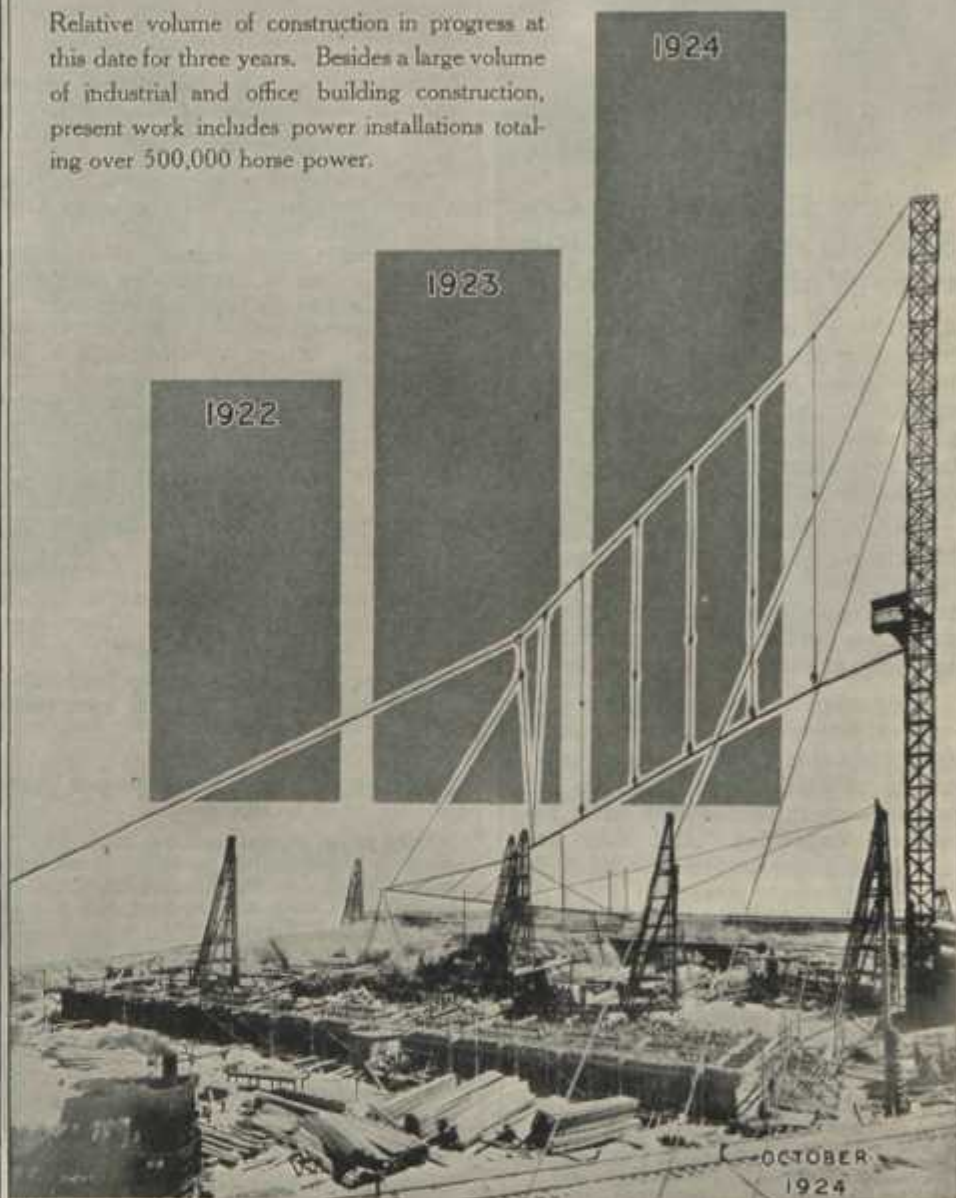
Those who use the road will pay toll—about the equivalent of fifty cents—for a government subsidy was granted on condition that the state should profit; bonds were issued, and the plan provides a sinking fund to wipe out these within fifty years. They count upon 2,000 motorists as a daily average on the road. This, at half a dollar apiece furnishing \$1,000 a day, will provide ample funds for interest and retirement, and also a neat profit to the state which is to have half the surplus when the return exceeds 8 per cent to shareholders. After fifty years the road becomes the property of the nation, free and clear.

All roads lead to Rome! This one will, too, eventually—a sort of "Mussolini Highway" to match our "Lincoln Highway" perhaps. And who knows but that by that time we also shall have achieved "a road for motorists only" and by paying fifty cents in our city of San Francisco can travel, nonstop and unimpeded, with a little hop across the Atlantic Ocean, to the native land of Saint Francis and the Franciscans.

—G. H. H.

WORK IN PROGRESS

Relative volume of construction in progress at this date for three years. Besides a large volume of industrial and office building construction, present work includes power installations totaling over 500,000 horse power.



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SPEED is essential in producing Yellow Motor Coaches. That is why Wallace Machines have been installed at intervals all along the assembly line, so that the workmen may have them instantly at hand for needed operations.

Wallace Portable Woodworking Machines lend themselves readily to the efficient production of motor coaches or models, furniture or flying machines, patterns, carpentering—anything, in short, that requires wood.

They take their power from any light or power circuit. They handle accurately the finest precision work, and show astonishing speed on the heaviest operations within their respective capacities. And they are all direct-motor-driven—no belts to slip and dissipate power.

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Wallace Universal Saw	Wallace 8" Jointer
Wallace Plain Saw	Wallace 4" Planer
Wallace 18" Band Saw	Wallace 8" Lathe
Wallace Glue Pot	Wallace Solder Pot
automatic heat control	automatic heat control
Wonder Disc Sander	Wonder Spindle Sander

This Wallace Plain Saw Is Needed in Your Shipping Room



Hundreds of shipping rooms all over the country have found that the Wallace Plain Saw offers the quickest method of cutting up old or new material for crates or packing cases. It has been known to pay for itself in two months in material saved.

Send for Catalog 402C

J. D. Wallace & Co.

146 South California Avenue
Chicago, Illinois

Business Letters in the Fashion of 1806

NAPOLEON was Emperor of the French, Thomas Jefferson was President of the United States, George III was still King of England when George Morison, "teacher of the English Language in Bremen," decided that the business world needed to be taught how to write letters.

His little book saw the light of day at Delmenhorst in 1806. No modern exporter will ever write letters like Mr. Morison, but the latter's principles are as sound as ever, for he says:

"The writing of a good commercial letter is justly considered a very necessary attainment," and he hopes

"To enable those desirous of acquiring a mercantile style to commit their thoughts to paper in a clear and intelligible manner."

Admirable purpose set forth in this little book which lies on my desk, still in good condition, the paper untorn though browned and spotted by age. Some earnest German owned it and carefully interlined translations of some English words that puzzled him.

Mr. Morison had a dramatic sense. His first half dozen letters deal with the struggles of a young firm to get business, and their execution of their first order.

John Williamson and James Attention, forming the firm of Williamson et Co., address a letter from Bremen to Messrs. Speculation et Co., of London, and

beg leave to introduce ourselves to the Honor of your esteemed acquaintance by tendering our service in any commands you may have at this Port.

Williamson et Co. didn't propose to be rash, for they go on to explain:

Owing to the present embarrassments attending mercantile Transactions, we intend confining our business chiefly to the Commission Line until the Political Clouds are dispersed, which at this moment darken Europe.

And finally they wind up this "selling" letter as follows:

We also take the Liberty of inclosing a Statement of our Market, in hopes of something offering to merit your notice.

In expectation of which we remain
Gentlemen
your Most obedient
Humble servants,

And just the other day I got a letter signed:

"Yours with Pop, Pop and Power."

Fashions in letter-writing do change.

"Messrs. Speculation et Co." were ready to change agents in Bremen. They entrusted to the young firm 75 hogsheads of Havana sugar but not in language as simple as that. No indeed. What they wrote was:

Your favor of ——— instant we duly received, confirming your Circular of 22nd Ulto, and covering a statement of your market.

From a retrospect of which, and calculation of the chances likely to occur, we have been induced to try the fate of some Havannah Sugars of a very superior quality.

We leave the sale entirely to your own judgment, and in hopes of your kind exertions.
We are

Gentlemen
your obedt Servts.
Speculation et Co.

All in ink, with a quill pen. How much simpler to turn to a stenographer and say:
"Tell 'em young fellers shipping 75 hogs-

head sugar. 'N' if they make good on this, I'll sen' 'em s' more stuff."

The sugar was profitably sold, and that transaction had a happy ending, but business even then had its misadventures, and the Ready Letter Writer of 1806 had to be prepared for the worst as well as the best. Purdie & Co., of Liverpool, were "induced to hazard a small speculation" in pimento, so they shipped it to Smith & Co., Bremen, "in hopes of a quick sale." But alas, *The Mary*, Captain Viebrook, got in trouble, and Messrs. Smith & Co. thus break the news:

"We lament very much to be under the necessity of acquainting you that *The Mary* in backing up the River in a Gale of wind, unfortunately miss'd stays and run aground on the Mellum Sand, and little or no hopes entertain'd of getting her off."

Sailing-ship days and sailing-ship manners in correspondence. Steam and cable have cut down time and words, but even in Mr. Morison's mercantile letters there occasionally appears a touch of irritation.

Here is the example set for a young merchant to follow when he undertakes to answer a reflection on the ways of doing business in his chosen city:

Your favor of ——— is now before me, and in reply thereto can't help lamenting your disinclination to do business at this port. Sure I am, it's situation and Markets won't yield to any in Europe; and as to tardiness in Dispatch, which you seem to lay to our charge, nothing can be more unfounded. ——— Indeed your remark on that subject, is so entirely new to me, and I presume to every mercantile man here, that, had it come from a less respectable quarter, I shouldn't have taken notice of it.

The only atonement you can make for the severity of the observation is, to make a trial of our exertions, when I am persuaded, you will soon be convinced that such calumny is only a libel on your own credulity, and not on our activity. ——— Notwithstanding you seem rather inclined, to take things coolly for the moment, in case of doing mischief; I shall use the freedom to break in upon your tranquillity, in hopes to enable you to kill time more agreeably.

Here is the soft answer which we hope turned away wrath:

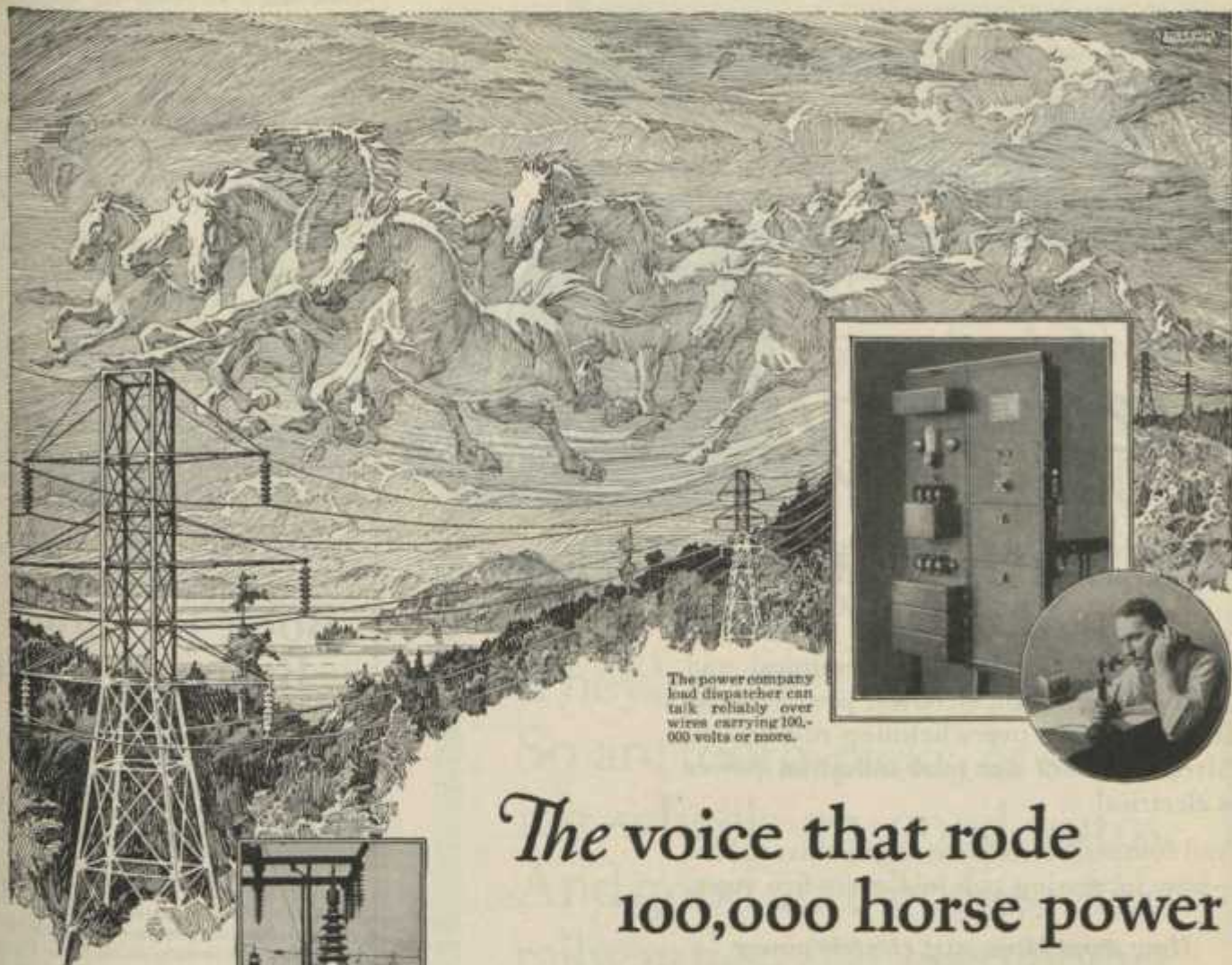
Your favor of ——— is now before us, and must say, that we feel extremely hurt at your severe animadversions upon our Letter of ——— wherein you fancy us, accusing the whole commercial People in Liverpool of dilatoriness, in the dispatch of business.

As we can't be supposed to write your Language, with that grammatical exactness, and nicety of expression, to be expected from a Native of the Country; yet we never entertained the most distant Idea, of your attempting to torture our inaccuracy into such a criminal construction. ———

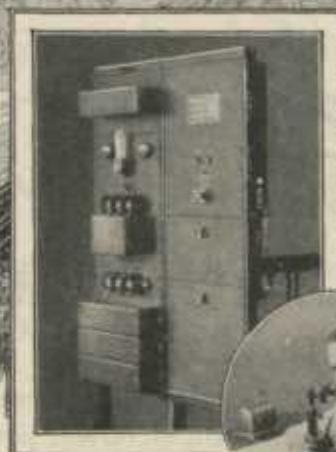
By the words "quick dispatch" we meant the opportunities of making shipments from this port to yours, were less frequent than from London and Hull. ——— This candid declaration is hoped sufficient to exonerate us, from such a foul charge, and to prevent you in future, from feeling the necessity of making such bitter observations.

Did the eager student of business forms wish to know how to announce his bankruptcy? Here are the opening paragraphs of a letter on that painful subject:

The numberless Bankruptcies in this City, and particularly the failure of W. et C. added to many other unfortunate circumstances in Trade;



The power company
load dispatcher can
talk reliably over
wires carrying 100,-
000 volts or more.



The voice that rode 100,000 horse power

RIDING astride horse power enough to run an industrial city, came the voice over the wire, "Bad storm put Mill City line out of commission, tie in Springvale circuit."

Now electric light and power company operators can telephone over their own power transmission lines carrying thousands of horse power. Yet they talk and signal with ease with a few thousandths of a horse-power by the use of the Western Electric Power Line Carrier Telephone Equipment.

It is the most satisfactory means yet devised for communicating between the stations of companies which cover a wide area and where commercial telephone facilities are not available. It is an important aid in emergency and it helps maintain service twenty-four hours a day.

Here is a worthy newcomer to the long list of products manufactured by the world's largest maker of telephones.



Not a giant chessman. This coupling condenser gives the voice currents safe conduct from telephone instruments to power line.

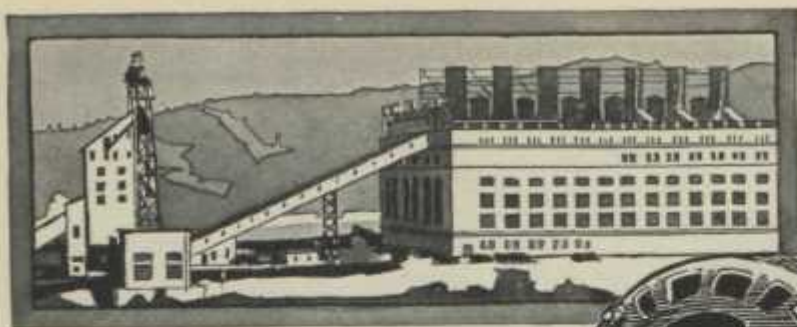


Amplifying vacuum tube. This is one of a number of vacuum tubes used in the transmitter circuit.

On a cross country power line any station can talk with any other — with Western Electric equipment.

Western Electric

SINCE 1869 MAKERS OF ELECTRICAL EQUIPMENT



One of the 40 plants in the coal field super-power zone.

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—the Super-Industrial Power

FLEXIBLE, cleanly, economical and highly efficient, electrical power clearly demonstrates its overwhelming supremacy. Already 60% of our total industrial power is electrical.

And competition is hastening its universal use — now increasing two fold every five years.

How would low-cost electric power affect your production costs?

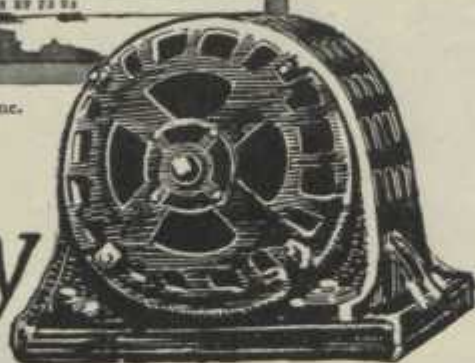
On the lines of the Baltimore & Ohio, a network of power lines extends through ten states. In 81 cities of over 10,000 population and 87 smaller towns, low cost electric power is available.

In these attractive cities, away from the smoke and dust of the mines, your industrial plant may be located, supplied with dependable, economical power generated from tippie coal, and brought to your door without freight cost.

Let us tell you how other concerns are meeting competition with low-cost electrical power. Address

H. O. HARTZELL
Manager Commercial Development
Baltimore & Ohio Railroad
Baltimore, Md.

97 percent of electric power generated for sale is from corporate companies. Of 168 cities on the Baltimore & Ohio Railroad of over 2,500 population, 117 are supplied by corporation plants; balance by municipal. The Coal Field Super-Power Group, which reaches cities on the Baltimore & Ohio, has 40 plants with total capacity of two million kilowatts in a territory of 50,000 square miles, with a population of 7,250,000.



Baltimore & Ohio

THE LINE OF THE CAPITOL LIMITED

When writing to BALTIMORE & OHIO RAILROAD please mention Nation's Business

have occasioned such a derangement in my concerns, that I am under the mortifying necessity of declaring my Insolvency.

My feelings upon this occasion, may be easier supposed than described; and I lament extremely, to be under the painful necessity of publicly declaring them at this moment.

Sorry I am to make such a return for the numberless obligations I owe you, but I hope the candid statement of my effects, will exonerate me from that cruel suspicion, which you well know, attaches to every one in my present situation.

One more form, this time accepting the bankrupt's compromise:

Your credulity, has proved no less injurious to your friends, than ruinous to yourself, and tho' humanity may plead for you, yet the Laws of Commerce founded on the principles of equity and justice, must certainly decide against you.

However as I don't wish to contribute to the misery of one, over whom providence has placed the Scourge of his resentment; I shall direct my friend in Hambro, to accept the Composition you have offer'd, in the event of his finding no fraudulency in your transactions.

I am, etc., etc.

Life may have been more leisurely, but it hurt to lose money even in 1806.

Book Reviews of Business Value

The Way Out, by Edward A. Filene. Doubleday, Page & Company, Garden City, N. Y., 1924.

As I finished the chapter on "Business and Progress" in Mr. Edward A. Filene's book, I said to the young woman who is about to type this manuscript:

"I wish that you would put this book away among your future memoranda and call my attention to it in 1944, or even in 1934."

She declined to promise, and there is nothing left for me but to copy down those things which Mr. Filene says will happen if not in ten, certainly in twenty years:

"For some years to come, in the absence of developments not now predictable, American business will be unable to export the surplus goods it will be able to produce, the surplus goods it is even now geared up to produce. A ramshackle Europe in reduced circumstances will not be a good customer.

"Unable to spend their surplus energy in competing for foreign business, American business men will devote their surplus energy to a keener competition for domestic business.

"In the supercompetition that will result, the small business man and the inefficient business man will have a very difficult time matching the prices and the service of the big factories and the big stores that do business on the basis of mass production and mass distribution.

"Everything will tend to drive American business and industry into mass production and mass distribution.

"This mass principle, widely applied, will result in hitherto undreamed-of economies and efficiencies.

"These economies and efficiencies will make possible a marked reduction in prices, will in fact compel a marked reduction in prices, for the main idea of mass production and mass distribution in the matter of profits is that the largest total profit is to be made from the sale of an enormous number of articles at a small profit per article.

"This reduction of prices will relieve the economic strain on the masses, mitigate the fears of insecurity and unpreparedness against the exigencies of life and labor that today haunt the minds of workmen, make possible a generally higher standard of living, and in every way reduce that class friction which seriously slows down the rate of social advance.

"These things—to say nothing of the ultimately higher real wages that mass production will make

possible by bringing about at the same time a reduction in cost of living—will give greater freedom to the individual."

If you have a desk drawer which you plan to open in ten years, cut that prophecy out and file it away.—W. B.

Chemistry in Industry, edited by H. E. Howe. The Chemical Foundation, Inc., New York, 1924.

If there still lives a business man who thinks chemistry means nothing to him, recommend to him this book. The men who wrote it are almost all business men, workers in iron and steel, in rubber, textiles, meat packing and a dozen other lines. They know and tell not only convincingly but entertainingly how great a part the science plays in modern industry.

Principles of Auditing, by Eric L. Kohler and Paul W. Pettengill. A. W. Shaw Company, Chicago and New York, 1924.

Two C. P. A.'s who teach at Northwestern University have prepared what is primarily a textbook. The complete set of 79 audit papers for a small manufacturing business which supplement the volume add greatly to its practical use.

Prof. Seligman Sees Through It

IN A letter, Mr. Herbert Armitage Drake, of Camden, New Jersey, writes:

In the concluding paragraph of Prof. E. R. A. Seligman's criticism of the recent book of Mr. Julius H. Barnes on "The Genius of American Business," appearing in *THE NATION'S BUSINESS* for July, 1924, there is a reference to "some of the obvious disadvantages of individualism and how to remedy them," with no statement of what they are.

It is a sin and a shame that economists are not lawyers, and that lawyers are not economists. If they were, neither of them would waste time, in a property civilization as ours is, with the menace of non-property universal suffrage confronting us, by references, such as Professor Seligman makes, in this same paragraph to "the statesman who is more interested in welfare than in wealth."

Our civilization is founded on the principle that superiority is entitled to the benefits of its superiority. Our laws, by our courts of law and equity, protect and encourage every citizen to use the result of his superior capacity, so long as he does not aggress upon the equal rights of any other man. This, and not the cry-baby socialism of chronic minors and infants, as a substitute for American manhood, is what Professor Seligman intimates we are to embrace, unless we change the best civilization the world has ever seen.

Professor Seligman has evidently forgotten the irrefutable maxim which no economist should ignore: "That which is made possible, is postponed to that which makes it possible." Without property, business and righteousness nothing is possible. Indeed business, property and righteousness, as umpired and administered the country over, the year round, by over 12,000 judges, in over 3,000 temples of justice, assisted by 30,000 clerks, sheriffs, prosecutors and deputies, makes everything possible, except that inferiority and crime shall not suffer for their defects.

Let Professor Seligman, adumbrating the incongruity and disloyalty of the liberal college, endowed and supported by the wealth of citizens loyal to our constitution and laws, point out his undisclosed "disadvantages of individualism and how to remedy them."

WE PASSED his letter along to Professor Seligman, who replies as follows:

You ask me to point out some of the disadvantages of individualism or capitalism. To do so would mean the writing of a large book. The task has been accomplished not only by professors and philosophers of many schools, but by numberless congressional committees in every country and by a mass of

LIKELY as not you'd say "it's wood" when asked what a piano-action is made of. Now you know that it is ^{HARD}MAPLE. Same with the neat, flat platter you cut your bread on. It's ^{HARD}MAPLE. Play checkers? They're ^{HARD}MAPLE. So are tubs. So are tooth-picks, & steering-wheels on good autos. And good auto bodies. Also railway ties. ^{HARD}MAPLE, everybody's everyday good wood, sure enough. Can you guess the 148 other vital & artistic applications of ^{HARD}MAPLE, that World-standard "105%" hardwood? "Let's find out."

The New Hard Maple Book tells you.
It's very interesting. And authentic.
And worth filing. Free on request.

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NOTE: Hard Maple can be had in mixed shipments with Beech, Birch and other desirable Northern Hardwoods. Write for list of member mills.



Like having your own trade representatives everywhere

DOING business with distant markets is becoming more and more common. Almost every industry is reaching out—selling and buying a thousand miles, ten thousand miles from home.

But the profits on distant transactions may vary widely with the degree of accuracy and speed attained on each operation, from the ascertaining of credit standings to the final collection for goods sold.

It is here that long experience in commercial banking can save waste effort.

* * *

Your own representatives in any trading center could hardly handle a financial transaction more thoroughly or promptly than Irving-Columbia service handles it for you.

When reliable credit standings are wanted, Irving-Columbia representatives or correspondents obtain them with minimum delay.

When shipments are lost or stranded, Irving-Columbia service rarely fails to locate and move them.

And when profits largely depend on prompt collections for the return of invested capital, Irving-Columbia facilities prove especially advantageous.

For the convenience of our out-of-town customers, this country-wide, world-wide service—backed by all the resources and facilities of a great financial institution—is concentrated in our Out-of-Town Office.

**IRVING BANK-COLUMBIA
TRUST COMPANY**
NEW YORK

practical men in industry, trade and agriculture. This literature is perhaps not familiar to the busy lawyer whose chief function naturally is to aid the courts in upholding property rights, just as the similar critical literature at the end of the feudal period was disregarded by the lawyers of the day, or as the literature opposed to slavery in this country was made light of by the southern lawyers whose chief function and duty it was to protect vested interests.

I do not, of course, want to compare capitalism with feudalism or slavery, or to imply that socialism, which opposes capitalism, is to be put in the same category with democracy that opposed feudalism, or with liberty which opposed slavery. My point is that the conservative and standpatters before the French Revolution and in the southern states of America were swallowed up in the ruin of the institutions in which they could discern no flaws. And the same fate may befall the standpatters of today unless they open their eyes a bit and decide to move forward rather than backward. It is just because I think that the evils of capitalism, unlike the evils of feudalism and slavery, are remediable that I am a believer in the essential soundness of the existing economic order, and refuse to ally myself with the socialists. But he who denies the existing evils of individualism or capitalism plays directly into the hands of the socialists. He is like the aristocrat of the ancient regime and the slave owner of the South, blind to everything except the undoubted advantages of the system.

Some Faults Under Our System

FROM this immense catalog of the evils of individualism and capitalism, as existing in the United States at present, I can select at random only a few points—the sweat shops in our cities; the outrageous conditions of living in some of our coal mines; the fact that a not small percentage of families receive an income which is below what government and other experts have declared to be a minimum wage, i.e., the smallest with which to lead a decent human life; the twelve-hour day and the seven-day week time as recently found in most of our steel industries; the existence of poisonous trades where the death of the workman is almost sure to follow speedily; the existence of casual and child labor; the exposure of the workman to all the risks of unemployment; the existence of the pluck-me stores in many industrial communities and the abuses connected with the "hiring-and-firing" system. On the other side, the evils of unfair and cut-throat competition as disclosed in many government reports; the bucket shops and the get-rich-quick schemes; the heaping up of immense fortunes by questionable means, as in the early history of the Standard Oil Co. or as evidenced by the railroad ventures of Fisk and Gould; the abuses of high finance, as in the recent Tea Pot Dome occurrences; the tax evasions; smuggling and bootlegging on a large scale; the denudation of our forests and the exhaustion of our natural resources—these are only a few of the abuses of our present system which one does not need to be a socialist to recognize.

How to remedy these abuses is another matter. The social consciousness of this country is working at the problem, making many mistakes and entering upon many devious paths. But surely we are not going to remedy the situation by denying the evils. That is the path of the ostrich, burying its head in the sand. The only manly way is to analyze the situation with as little heat as possible and to attempt to discover the real causes of the trouble. Individualism and mutualism or collectivism are each necessary ingredients in human nature and human society. Extreme collectivism spells stagnation; extreme individualism spells tyranny, inequality and misery. The part of wisdom is to study the limitations of each and to develop institutions that will combine efficiency with democratic progress. If capitalism is to survive, it must, as I think it will, purge itself of not a few existing impurities. How to do this is the part of the economist, the forward-looking capitalist of industry and the statesman.

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More than 125,000 copies of this Chart are in use today, within less than a year after its final completion. From the largest industries in America to the small individual user, buyers rely upon the Chart to secure "the right paper for the purpose—at the right price".

A copy of the Chart in convenient form will be sent to you upon request, and with a booklet "The Correct Use of Bond Papers", and a Sample Portfolio of the Nine Eagle-A Bond Papers as additional guides.

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An INDEX to the RIGHT Bond Paper for the Purpose at the RIGHT price

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Chevron Bond	1	2	3
Acceptance Bond	1	2	3
Norman Bond	1	2	3
Telephone Bond	1	2	3
Letterheads	1	2	3
Invoices	1	2	3
Statements	1	2	3
Checks	1	2	3
Drafts	1	2	3
Notes	1	2	3
Purchase Orders	1	2	3
Contracts	1	2	3
Receipts	1	2	3
Inter Dept. Letters	1	2	3
File Copies	1	2	3
Acknowledgments	1	2	3
Price Lists	1	2	3
Mortgages	1	2	3
Deeds	1	2	3
Stock Certificates	1	2	3
Policies	1	2	3
Inventory Forms	1	2	3
Requisitions	1	2	3
Mfg. Orders	1	2	3
Receiving Reports	1	2	3
Stock Reports	1	2	3
Time Slips	1	2	3
Memo Slips	1	2	3
Reference Booklets	1	2	3

KEY TO ABOVE CHART

A1—Extra Fine Choice 1—Fine Choice
2—Second Choice 3—Third Choice
*Recommended for Office Lithography

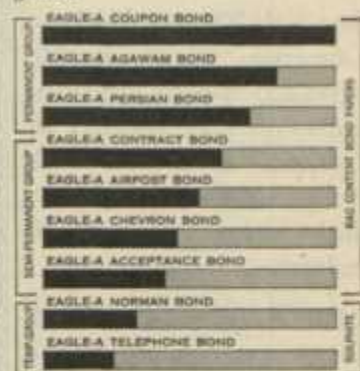
THE GRADE CHART

The Grade Chart indicates the relative price-quality of each of the Nine Eagle-A grades.

These nine grades cover every bond paper need.

The Grade Chart supplements the Specification Chart, and will assist the buyer in determining whether a first, second or third choice should be made.

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Eagle-A COUPON BOND is recognized as 100%. The other grades are all shown in price and quality relation to it — represented by the solid black line (■). The shaded portion (▨) indicates the relative sacrifice in quality factors (Appearance, Long Life, Printing Qualities, and Probable Handling).



Concord's New Hotel

Is YOUR Town As Good As Concord?

Concord, N. C., is a GOOD town! Its people are aggressive, keen, and wide awake to their opportunities.

Concord saw countless motor tourists step on the gas when they struck the town. Few stopped over because Concord had no modern hotel facilities. Which was too much for Concord. If all it took to make these tourists stop over was a good hotel, they'd get the hotel.

And they did! Through Hockenbury direction, in one week's time, \$382,200 in hotel securities was sold to meet an objective of but \$250,000. Their new hotel will soon be built and completely furnished without a cent of indebtedness.

If YOUR town faces a hotel problem, unquestionably Hockenbury Service is your logical answer. At any rate, ask us to place your name and the names of other civic leaders on our complimentary civic list "C-1" to receive each month a copy of THE HOTEL FINANCIALIST, a neat little journal devoted to community hotel finance.

The HOCKENBURY SYSTEM, Inc.
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News of Organized Business

THE Principles of Business Conduct, passed at the 1924 annual meeting of the United States Chamber of Commerce, now have been adopted by 545 organizations in this country and abroad, while 4,755 individuals and firms have taken similar action. The latest additions to the roll of honor follow:

ARKANSAS

Little Rock Chamber of Commerce, Little Rock.

CALIFORNIA

Chamber of Commerce, Alhambra.
 Berkeley Chamber of Commerce, Berkeley.
 Glendale Chamber of Commerce, Glendale.
 Board of Trade, San Francisco.
 Sierra Madre Chamber of Commerce, Sierra Madre.

DISTRICT OF COLUMBIA

American Drug Manufacturers Association, Washington.
 Ass'n of Limb Manufacturers of America, Washington.

ILLINOIS

Central States Paper Trade Association, Chicago.
 National Association of Casualty and Surety Agents, Chicago.
 National Funeral Directors' Association of the United States, Chicago.
 National Shoe Retailers Association, Chicago.

INDIANA

National Food Brokers Association, Indianapolis.

KANSAS

Iola Chamber of Commerce, Iola.

KENTUCKY

Chamber of Commerce of Glasgow, Barren County, Glasgow.

MASSACHUSETTS

Dorchester Board of Trade, Boston.

MINNESOTA

Northern White Cedar Association, Minneapolis.

MISSOURI

Jefferson City Chamber of Commerce, Jefferson City.
 Merchants' Association, Kansas City.

NEW HAMPSHIRE

Chamber of Commerce, Concord.

NEW JERSEY

Atlantic City Chamber of Commerce, Atlantic City.
 Passaic Chamber of Commerce, Passaic.
 Somerville Chamber of Commerce, Somerville.

NEW YORK

Chamber of Commerce, Inc., Kingston.
 Eastern Millinery Association, Inc., New York.
 The National Paper Trade Association of United States, New York.
 Society of American Florists and Ornamental Horticulturists, New York.
 Plattsburg Chamber of Commerce, Plattsburg.

NORTH CAROLINA

Scotland County Chamber of Commerce, Laurinburg.

OHIO

National Machine Tool Builders' Association, Cincinnati.
 Grain Dealers National Association, Toledo.

OKLAHOMA

Chamber of Commerce, Miami.
 Chamber of Commerce, Tulsa.

PENNSYLVANIA

Ardmore Chamber of Commerce, Ardmore.
 National Paper Box Manufacturers Association, Philadelphia.
 National Varnish Manufacturers Association, Philadelphia.
 Paint Manufacturers Association of the United States, Philadelphia.
 Natural Gas Association of America, Pittsburgh.

TEXAS

Orange Chamber of Commerce, Orange.

VIRGINIA

Alexandria Chamber of Commerce, Alexandria.

WISCONSIN

Beaver Dam Chamber of Commerce, Beaver Dam.

WYOMING

Green River Community Club, Green River.

FOREIGN

American Chamber of Commerce of Tientsin, Tientsin, China.

Alabama County Repairs Telephones

HOME, business and agricultural interests of Lauderdale County, Alabama, are now better served through improved telephone facilities by reason of the observance of a "Telephone Repair Week" throughout the county. The work of improvement was directed by E. L. Deal, county agricultural agent. The chamber of commerce cooperated by providing \$1,000 to help

build a line from the county seat to a town on the eastern side of the county, 30 miles distant. This line was connected with 600 rural telephones.

Telephone service, established through community enterprise, had become unsatisfactory because of the bad condition of the equipment. The county agent saw the need for improving the service facilities. He communicated with the exchanges in the county, and obtained from each the name of a man on every line to be the leader of the telephone owners on his line. A letter was then written to each leader suggested, telling him of the proposals for the improvement of the service, and urging him to interest the other telephone owners.

The time was fixed for the observance of the week of improvement. The newspapers of the county cooperated in providing publicity. Just before the beginning of the campaign, 40 firms contributed a 2-page advertisement in each county paper. A special prize was offered to the first person using a repaired telephone within specified hours. The county agent made personal call at the rural exchanges, and explained to the telephone owners the purpose of the campaign.

The campaign was successful. New poles were put in, lines were completely rebuilt where necessary, new batteries were installed, and rights of way were cleared. At the end of the week, reports showed that 800 telephones were improved, and that the farmers had done more than 3,000 man-days of work.

Services of Women Recognized

THE IMPORTANT services of women in the improvement and development of communities is recognized by the chamber at Wichita Falls, Texas, in the November number of its publication, *Community Builder*.

The issue includes the address of welcome delivered by Hubert M. Harrison, manager of the chamber, to Texas chapters of Daughters of the American Revolution in convention at Wichita Falls. The religious, educational, social, and cultural opportunities available to the citizens—opportunities that hold an especial appeal to women—are presented with text and pictures.

Other articles consider the activities of representative organizations of women—the Civic Club, the Parent-Teachers Association, the several mothers' clubs, the Federated Missionary Society, the Musicians Club, the Little Theater Players, and the Business and Professional Women's Club.

Trade Groups Interchange Patents

THE ELIMINATION of trade friction from conflicting patents is one of the most outstanding features of the work now being done by trade associations, says the National Industrial Conference Board, in a report on the avoidance of trade disputes.

The establishment of numerous distinct legal monopolies over various devices and articles in an industry is frequently a serious obstacle to the improvement of processes and products, the board finds. One concern's patent may be "blocked" by another's, and neither may be able to develop its full competitive strength. Or each competitor may have some special advantage in one stage of production, but be compelled to forego the best practice in other stages. Although each concern may benefit a little by its own exclusive rights, the board believes that every concern loses more than it gains in that way because of the exclusive rights represented by the numerous patents of its competitors.

To remove those incidental handicaps which patent privileges place upon industrial progress, the board explains, trade associations have worked out systems for interchanging patents within an industry. The most noteworthy of the plans, according to the board, is that of the National Automobile Chamber of Commerce, which has been in effect several years and now includes more than a thousand patents. This arrangement has never been attacked in court, the board



ASIA GOES TO MARKET

Change works fast in the Orient!

There are trolley cars in Pekin. There are telephones in Tokio. In Hong Kong houses and streets are electrically lighted. The rickshaw is giving way to the automobile.

Chinamen are eating American breakfast cereals. They are smoking American cigarettes.

And now comes news that a new chewing gum has been created especially for the Chinese trade.

Asia, once looked upon as just a place from which to import silks and curios, has gone to market.

In eight years China jumped from twenty-eighth to fifth place among world buyers of American goods. In ten, Japanese imports increased threefold.

The Dutch East Indies, the Malay States, British India, Chosen, Siberia, Australia and the Philippines are eager for a chance to trade.

Across the Pacific lie three-quarters of the world's people, white men, black men, yellow men and brown men.

Year by year their buying power grows. Year by year they look more and more to America for manufactured goods of all kind.

A commerce destined to become the greatest in all history, already amounting to hundreds of millions annually, is to be the heritage of certain youthful cities in the Pacific Northwest.

And the names of these youthful cities, looking hopefully westward across the highway of this commerce, are Seattle, Portland, Tacoma, Astoria, Bellingham, Everett, Bremerton, Port Angeles, Gray's Harbor, Aberdeen, Hoquiam and Anacortes.

They are the ports of Washington and Oregon. They are the natural outlets for American trade with the Orient. For they are nearer by several

days' sailing than the ports of California to the chief points of Asia and the islands of the Pacific. They are nearer by rail to the Atlantic Seaboard. They are endowed with harbor facilities unparalleled on our Atlantic Coast.

And the Pacific Northwest, of which they are the commercial capitals, the states of Washington, Oregon, Montana, Idaho and Wyoming, has tremendous industrial resources—half the potential water power of the United States, half its standing timber, billions in foods, metals, coal and oil—to support this commerce.

American industrial enterprise is reaching westward, for in the Pacific Northwest it sees its greatest opportunity now!

Table of exports from the United States, showing proportion sent to the Orient of each of the articles listed

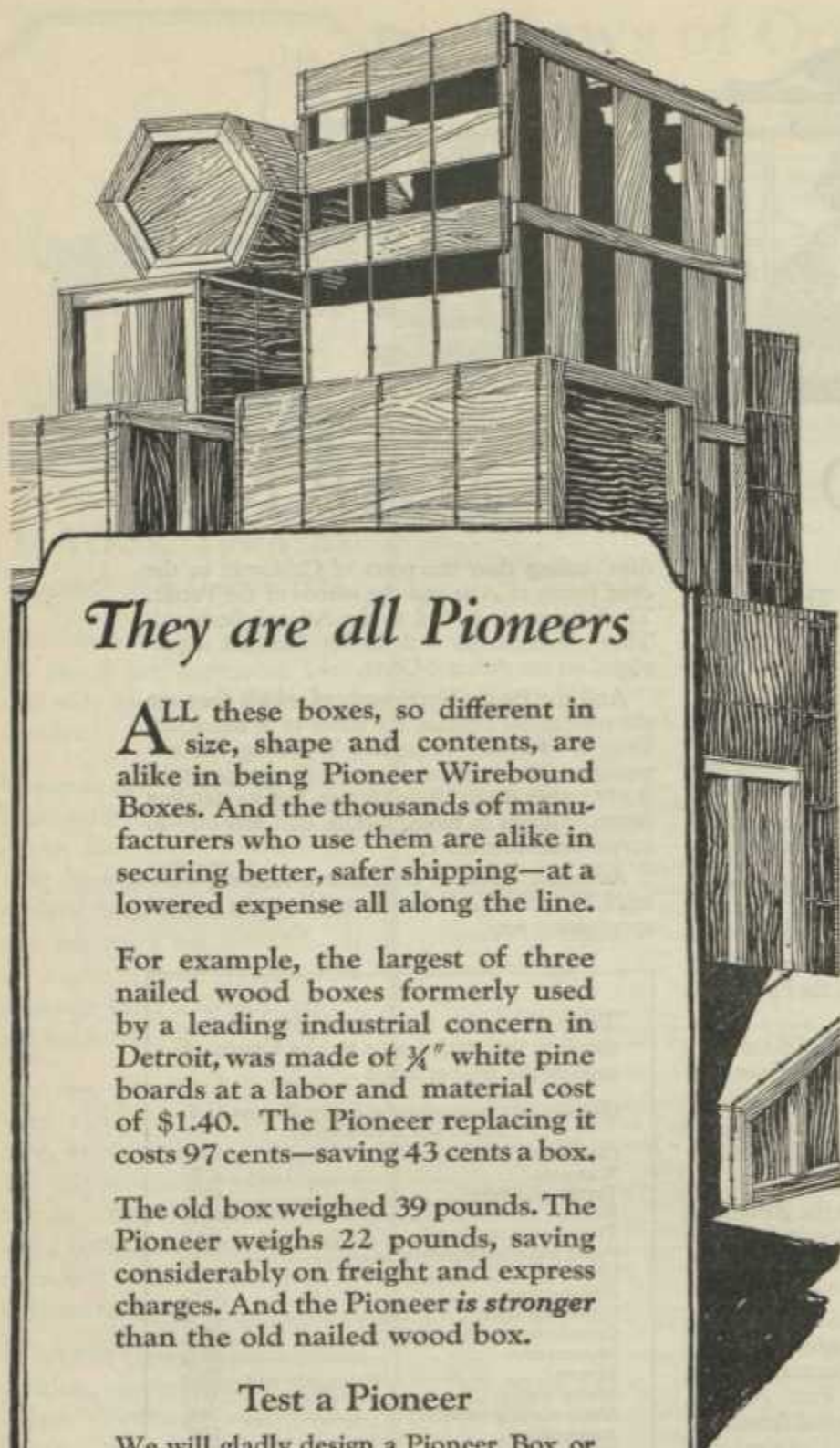
(Based on 1922 figures of the Far Eastern Division, U. S. Department of Commerce)

Cigarettes	99%
Wire nails	67%
Textile machinery	63%
Rails	61%
Transmission equipment	59%
Power and other transformers	59%
Generators	51%
Illuminating oil	47%
Sewing machines	37%
Construction machinery	37%
Motorcycles	36%
Motors	35%
Motor trucks	33%
Metal-working machinery	29%
Automobiles	27%
Structural steel	25%
Tires	22%

THE PACIFIC NORTHWEST

*The Chicago Burlington & Quincy R.R.
The Great Northern Ry.
The Northern Pacific Ry.*





They are all Pioneers

ALL these boxes, so different in size, shape and contents, are alike in being Pioneer Wirebound Boxes. And the thousands of manufacturers who use them are alike in securing better, safer shipping—at a lowered expense all along the line.

For example, the largest of three nailed wood boxes formerly used by a leading industrial concern in Detroit, was made of $\frac{3}{4}$ " white pine boards at a labor and material cost of \$1.40. The Pioneer replacing it costs 97 cents—saving 43 cents a box.

The old box weighed 39 pounds. The Pioneer weighs 22 pounds, saving considerably on freight and express charges. And the Pioneer is *stronger* than the old nailed wood box.

Test a Pioneer

We will gladly design a Pioneer Box or Crate to suit your product. Test it in any way, prove to yourself that General Box service can cut shipping costs for you, too. A short note of inquiry is enough. There is no obligation involved.

GENERAL BOX COMPANY

504 N. Dearborn Street - Chicago, Illinois

Sixteen Factories Give You Close at Hand Service

Bogalusa, La.
Brewton, Ala.
Brooklyn, N. Y.
Cincinnati, O.
Crawfordsville, Ind.

Detroit, Mich.
East St. Louis, Ill.
Hattiesburg, Miss.
Houston, Tex.
Illmo, Mo.
Kansas City, Mo.

Louisville, Ky.
Nashville, Tenn.
New Orleans, La.
Sheboygan, Wis.
Winchester, Mass.

says, and expresses its belief that the arrangement is in thorough accord not only with legal requirements but with sound principles of public policy.

Another of the constructive activities of trade associations described and analyzed in the board's report is the sponsorship of commercial arbitration. Trade associations offer a ready means for the establishment of arbitration procedure, says the board and, by way of illustration, it invites attention to the record of the Silk Association of America.

The report concludes that on the whole the trade association movement gives promise of reinvigorating the competitive industrial system. The wholesome possibilities of properly directed and properly safeguarded business cooperation are emphasized.

The address of the National Industrial Conference Board is 247 Park Avenue, New York City.

A Problem of Schools and "Gym"

GOOD recreational and school facilities are conducive to good citizenship, and the importance of those facilities to the wholesomeness of community life have fresh definition by S. P. Duke, president of the chamber at Harrisonburg, Virginia. In the chamber *News*, Mr. Duke asserts that:

The greatest need of our city today is not new industries, nor more residents; neither is it more power, more water, or better streets, but it is a better environment for the all-round development of the young people of the city. The boys and young men of our city who go out during the evenings for recreation and relaxation have, in the main, the following choices: the drug store, the moving picture theater, the pool room, or the automobile with its gay party. These are not good schools for good citizenship.

Our city of tomorrow must be managed and directed by the boys and girls of today. Their life purposes, their character and their capacities for achievement are being formed today. No city can be great without upstanding, clean-cut men and women of conscience and character to give form and direction to its life.

Our young people are pleading for a gymnasium where they may spend the winter evenings and holidays in wholesome physical exercises or games.

A very grave situation confronts our public schools. . . . The time for theorizing has passed and a definite plan should be adopted for meeting the situation.

Insurance Questions Answered

TO MAKE insurance more understandable to the insured the Insurance Department of the National Chamber has prepared a bulletin on "Insurance Facts for Policyholders." Answers are made to pertinent questions regarding the hazards of disability from injury or disease, and protection through accident or health insurance—

If I am injured in an accident or become ill, resulting in prolonged inability to work, will I be able to bear all the extra expenses incurred and continue to support my dependents in the customary way? Who will shoulder my financial burden if I cannot? When I resume my occupation will there be a heavy debt hanging over me? If I am never able to work again what assurance have I of receiving an income sufficient to support my dependents and myself?

No single contract, says the bulletin, will best fit every person's needs. It is consequently essential that each policyholder analyze his own requirements carefully and measure his contract against them to determine if it affords the exact protection desired. Types of disability and the forms of coverage obtainable are outlined in the

bulletin to assist the policyholder in making adequate comparisons.

Copies of the bulletin are obtainable from the Insurance Department, Chamber of Commerce of the United States, Washington, D. C.

The "Truth About North Dakota"

TO TELL the truth about North Dakota the Greater North Dakota Association, with offices at Valley City, has begun an advertising campaign through agricultural publications "throughout the states from which we hope to draw our future neighbors," and through magazines of the business world "telling business men to come to us for information about North Dakota."

The campaign is planned to induce immigration, to enhance the good opinion of North Dakota, and to correct false impressions of conditions in the state. Contributions from citizens are expected to finance the campaign.

In an open letter addressed to "believers in North Dakota," the Association asserts that

So far, in North Dakota's history, there has been no attempt to tell these pleasant facts about our state to people who should know them. We have let others, not of us, do the telling. Rumor and misinformation have been accepted as the truth about us and our state—simply because they have been allowed to speak for us.

The good things about North Dakota should be told; let us tell them ourselves. There is a false impression of our state among those who should become our future neighbors; let us correct this ourselves. Businesses in other states have at times hesitated to market their products here because of exaggerated statements about our poverty.

There is no need for a "Pollyanna" attitude in what we tell these people. The truth about North Dakota is a little of bad and a great amount of good, but let us tell "The Truth About North Dakota"—and that will be good enough.

Here at hand is the organization, built to do that very thing. Composed of strong men from every corner of North Dakota, open to all who have faith in the state; non-sectarian, non-political and directed by able leaders, it is admirably fitted to do this job. . . .

A Neighborhood Membership Drive

THROUGH the operation of a zone plan for continuous membership used by the chamber at Harrisburg, Pennsylvania, 363 memberships were obtained last year. Including the results of all membership solicitations, the chamber has averaged fifty new members for every month. Only five resignations were reported during the year, indicating that the chamber has impressed its usefulness on its members and on the community. The chamber reports that

This has been done by little meetings all over the city. We have had these zone gatherings in garages, restaurants, undertaking establishments, halls, hotels, clubs, manufacturing and mercantile establishments, plumbing shops and every place where we could get a little group to hear the story of the chamber of commerce and then send them out to get members. It was not done haphazardly, as results prove, because at each meeting we had a certain list of prospects the men were to go after. In the past two years this plan has resulted in the net addition of 450 members.

Bankruptcy Frauds Fight Begun

ORGANIZATION of a city-wide campaign against bankruptcy frauds and other commercial frauds has been begun in New York City by twenty trade and credit associations, credit insurance companies and other groups interested in the granting of credit in virtually all branches of business. Formulation of a plan of organization, and provision of ways and means for the campaign have been assigned to a committee of

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Library Bureau filing equipment in *National Headquarters of American Business*

THE beautiful new home of the Chamber of Commerce of the United States is dedicated to bigger, sounder and more profitable business. An important corollary is the employment of the most advanced and efficient methods of office practice.

It is but fitting, then, that Library Bureau filing equipment—"the choice of American business"—should be used extensively throughout this building. You will find L.B. equipment in the large filing departments—in the private offices—in the library. The installation shown above is in the circulation department of "The Nation's Business". Here all data and correspondence relating to the 175,000 circulation of "The Nation's Business" are systematized and filed.

Any business executive interested in more economical operation of his file department should consult our filing specialists. We maintain branch offices in 52 principal cities of the United States, England and France. Consult your phone book. Home office, Cambridge, Mass.

Library Bureau

Filing equipment for every business



NEIGHBORS

When Ephraim Crosby made a clearing far out on Valley Road and built his house, he had no neighbors. He lived an independent life, producing on the farm practically all that his family ate and wore. Emergencies—sickness and fire and protection of his homestead from prowlers—he met for himself. Later he had neighbors, one five and another eight miles away. Sometimes he helped them with their planting and harvesting, and they helped him in turn. Produce was marketed in the town, twenty miles along the cart-road.

Today Ephraim Crosby's grandchildren still live in the homestead, farming its many acres. The next house is a good mile away. But the Crosbys of today are not isolated. They neighbor with a nation. They buy and sell in the far city as well as in the county-seat. They have at their call the assistance and services of men in Chicago or New York, as well as men on the next farm.

Stretching from the Crosbys' farm living-room are telephone wires that lead to every part of the nation. Though they live in the distant countryside, the Crosbys enjoy the benefits of national telephone service as wholly as does the city dweller. The plan and organization of the Bell System has extended the facilities of the telephone to all types of people. By producing a telephone service superior to any in the world at a cost within the reach of all to pay, the Bell System has made America a nation of neighbors.



AMERICAN TELEPHONE AND TELEGRAPH COMPANY
AND ASSOCIATED COMPANIES

BELL SYSTEM

One Policy, One System, Universal Service

When writing to AMERICAN TELEPHONE & TELEGRAPH COMPANY AND ASSOCIATED COMPANIES please mention Nation's Business

eight members, each representing a different trade association.

Of the need for cooperative action, Walter Gordon Merritt, counsel of the Silk Association of America and of the Uptown Credit Group of the Textile Industry, said:

The situation is not without its parallel in other problems of our complex commercial life. It has often been necessary for voluntary associations of individuals to unite to aid the Government in the enforcement of law in some field in which they were particularly interested. Intelligent self interest must assert itself through organizations of this character, collaborating with law and government in protecting these interests if we are to secure the desired results.

The associations would be organized for the cooperative establishment and maintenance of a central agency to suppress and prosecute unlawful activities in bankruptcies and insolvencies. The agency would be a distributing center for the information regarding the records of dishonest debtors, including facts on suspicious circumstances and proved wrongdoing. That information would be made available to public prosecutors, when needed, and they would be given assistance and encouragement in obtaining justifiable convictions.

A Marine Intelligence Service

MARINE intelligence is now provided by the San Francisco chamber through the taking over of the marine exchange operated by the *San Francisco Examiner*. The intelligence service includes: Blackboard steamer postings; weather, tide, rain, and hydrographic reports; coast soundings; stock and bond quotations; coffee, cotton and silver quotations; rates of exchange; wireless communications from ships; postings of marine mishaps; postings of ship charters.

The marine intelligence service had its beginning in 1849 under the operation of Sweeney & Baugh. In 1867 the service was acquired by the Merchants Exchange Association, which operated it until 1901, when the property was purchased by the present Merchants Exchange. The service was provided by the Merchants Exchange until 1911, when it was merged with the chamber of commerce.

Included in the marine department of the chamber was the marine exchange. Up to September 30, 1914, the chamber operated the only marine exchange in San Francisco. On October 1, 1914, the stations of Point Lobos and Meigs Wharf were closed by the chamber, and at once were taken over by the *San Francisco Examiner*, which operated the service until recently, when it was again taken over by the chamber.

Conference on Distribution Costs

A PROJECT for bringing together retail, wholesale and manufacturing interests of the United States in an effort to cut the costs of distribution is announced by the Chamber of Commerce of the United States. A conference of representatives of the three branches of merchandising activity will be held in Washington early in January under the auspices of the Department of Domestic Distribution. The conference will consider the problem of distribution, compounded of all the factors included in the spread of the price of an article from producer to consumer, and will formulate a program of investigation to be carried on by representative committees of business men and economists.

The recommendations of these committees, each dealing with a different phase of the inquiry, will form the basis of discussion at a final conference representing all branches of commercial activity involved in distribution, and a definite course of action to reduce the costs, which necessarily enter into prices, will, it is hoped, be evolved.

The undertaking of the National Chamber constitutes the first concerted attack upon the problem of distribution from the point of view of the distributor. The field of inquiry which the conference will cover is for the most part unexplored. It has been defined as the field of greatest price expansion. One set of inves-

tigators has asserted that of each dollar spent by the consumer, 49 cents goes to pay for the costs of distribution. Whether this is correct or not, the purpose of the conference will be to point the way by which costs of distribution may be reduced.

Virginia Counties Form Association

FOURTEEN counties in the Shenandoah Valley of Virginia have formed an association to serve their common interests. The association is concerned with the relations between the town and country, with public and private schools, and with child welfare. In the association are educators, social workers, clergymen, farmers, bankers, and business men who are "attempting to think in terms of the total needs of the total area."

Coming Business Conventions

Date	City	Organization
January		
1	Portland, Oreg.	Northwest Cannery Association.
2	Chicago	American Road Builders Association.
3	New York	Umbrella Manufacturers Association of America.
4	Boston	New England Wholesale Coal Association.
12-15	Boston	National Shoe Retailers Association.
13-15	Chicago	Better Bedding Alliance of America.
13	New York	Grass and Fibre Rug Manufacturers Association.
13-15	Kansas City	Western Retail Implement Hardware Association.
14	Springfield, Mass.	Eastern Soda Water Bottlers Association.
14-16	Louisville	National League of Commission Merchants of the United States.
Wk of 14	Colorado Springs	American Dental Trade Association.
11	Chicago	American Walnut Manufacturers Association.
13	New York	National Jewelers Board of Trade.
16	New York	Jewelers Security Alliance of the United States.
16	New York	Tea Association of the United States of America.
19-23		National Pool Brokers Association.
20-23	Buffalo	Merchant-Tailor Designers Association.
20-21	New York	National Boot and Shoe Manufacturers Association of the U. S. Inc.
20-23	Chicago	National School Supply Association.
20-22	Minneapolis	Northwestern Lumbermen's Association.
21-23	Hartford	New England Association of Ice Cream Manufacturers.
21-23	Los Angeles	Western Confectioners Association.
23	Providence	Manufacturing Jewelers Board of Trade.
27-29	Chicago	American Wood Preservers Association.
27-30	Cleveland	National Association of Merchant Tailors of America.
27	Minneapolis	Northern Pine Manufacturers Association.
28-30	Oklahoma City	Southwestern Lumbermen's Association.
28-29	New Orleans	United Roofing Contractors Association.

Other conventions announced to take place in January include: American Association of Wholesale Hatters, American Chain of Warehouses, Inc., American Fruit and Vegetable Shippers Association, Automotive Electric Service Association, Compressed Gas Manufacturers Association, Evaporated Milk Association, Gas Products Association, International Cut Stone Contractors and Quarrymen's Association, Inc., Motorcycle and Allied Trades Association, National Association of Book Publishers, National Association of Dyers and Cleaners, National Association of Engine and Boat Manufacturers, National Association of Railroad Tie Producers, National Association of Shoe Wholesalers, National Automobile Dealers Association, National Cannery Association, National Crushed Stone Association, National Lumber Exporters Association, National Preservers and Fruit Products Association, National State Association, National Syrup and Molasses Association, New England Music Trade Association, Northeastern Retail Lumbermen's Association, Northern White Cedar Shingle Manufacturers Association, Rubber Association of America, Inc., Western Fruit Jobbers Association, Western Glass and Pottery Association.



Beautiful walnut door of the "H" street entrance to the new Chamber of Commerce of the United States of America in Washington.

Massive Doors of the New Chamber of Commerce Building in Washington Are Made of

AMERICAN WALNUT

REFLECTING the commercial supremacy of the United States, and typical of its greatness, is the new \$2,500,000 building of the Chamber of Commerce of the United States of America, recently completed in Washington, D. C.

This is accounted the handsomest building of its type in the country. A magnificent tribute to American business.

Built on the ground where formerly stood the home of Daniel Webster, it faces the White House, symbolical of the close union between the Government and the great commercial and industrial interests which are the strength of the country.

It was natural that in a building of national character the wood principally used for the magnificent doors and for its decorating should be of American Walnut. For walnut is emblematic of American business, with its durability, strength, resistance to time and wear, and its harmonious beauty and richness.

Genuine American Walnut outlasts the centuries. It offers an infinite variety of grain and design, and a lovely, grown-in coloring which time only mellows and enriches. Walnut is least affected by the hardships of every-day wear and tear, and it resists heat and cold, damp and dryness. It is a wood for all time.

AMERICAN WALNUT

Write for a copy of "The Story of American Walnut." You'll find it a compendium of valuable information about this fine wood.

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Were Designed, Manufactured and Installed by

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*Makers of Lighting Fixtures for Private Homes
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Display Rooms: 101 PARK AVE., N. Y. C. Factory: LONG ISLAND CITY

Government Aids to Business

Outstanding developments in Canada's agricultural, commercial and industrial progress are reported in a special Canadian number of Commerce Reports, published by the Department of Commerce. Canada is now second only to Great Britain as an export market for merchandise produced in the United States. To foster the growth of this trade, the Department of Commerce has opened a new office at Ottawa. The office will be a central source of information on Canada.

The markets for agricultural implements, electrical equipment and other commodities are outlined in the Canadian number of Commerce Reports, and there is a detailed discussion of Canadian competition in foodstuffs. American capital and enterprise have been important in the general expansion of Canadian industry, and this phase of American-Canadian relations receives timely consideration in one of the articles.

The large increase in Canadian trade with the United States, the department believes, is traceable not only to the proximity of the two countries, but also to the growing predominance of American capital in the Canadian market. At the beginning of 1924, the foreign investments in Canada exceeded \$4,500,000,000, of which amount investors in the United States held more than 50 per cent.

There are about 1,000 American branch factories now operating in Canada. That representation, the department says, is a result of the Canadian tariff policy and of the preferential tariff policy of the British Empire, which induced American manufacturers to supply the British colonial markets as well as Great Britain from their branches in Canada, thereby gaining the advantage of the preferential treatment.

The course of the domestic and foreign business of the United States for the year 1923 is traced in the "Commerce Yearbook" issued by the Department of Commerce. The yearbook presents a concise condensation of commercial intelligence provided for the department by a staff of business observers and trade specialists in all parts of the world. The text and tables are conveniently arranged for quick reference.

Included in the book are statistical discussions of the trend of business throughout the year, domestic trade, labor conditions, employment, immigration, wages, wholesale and retail prices, agricultural and industrial production, fuel and power, transportation and communication, finance and banking, construction of buildings, foreign trade, and of economic developments in the principal foreign countries.

The book is obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 85 cents a copy.

The foreign and domestic commerce of the ports of Galveston, Houston and Texas City are graphically analyzed and discussed in a report prepared by the Board of Engineers for Rivers and Harbors, War Department, in cooperation with the Bureau of Research of the United States Shipping Board. This report is No. 6 of a series of reports on the ports of the United States.

The report on Texas ports presents detailed information on harbor conditions, customs and port regulations, services and charges, fuel and supplies; facilities available for service to commerce and shipping, inclusive of piers, wharves, dry docks, ship repair plants, coal and oil bunkering, grain elevators, storage warehouses, bulk freight accommodation, floating equipment, wrecking and salvage equipment, railroad and

WHERE RAIL AND TIDEWATER MEET!

Announcing "STOCKTON CALIFORNIA as a factory location"

THOROUGH analyses prove that Stockton's characteristics comply fully with a wide variety of manufacturing requirements. A general report presenting unbiased data on Stockton as a factory location has just been completed. If you contemplate putting a plant on the West Coast, you should have this report. For a copy write, wire or visit the—

**DEPARTMENT
OF INDUSTRY**
STOCKTON CHAMBER OF COMMERCE

STOCKTON
CALIFORNIA



STOCKTON-MADE PRODUCTS SELL THE WORLD OVER

Small Drop Forgings

Forged and Trimmed Only or
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Modern Heat Treating Facilities
For All Grades of Steel

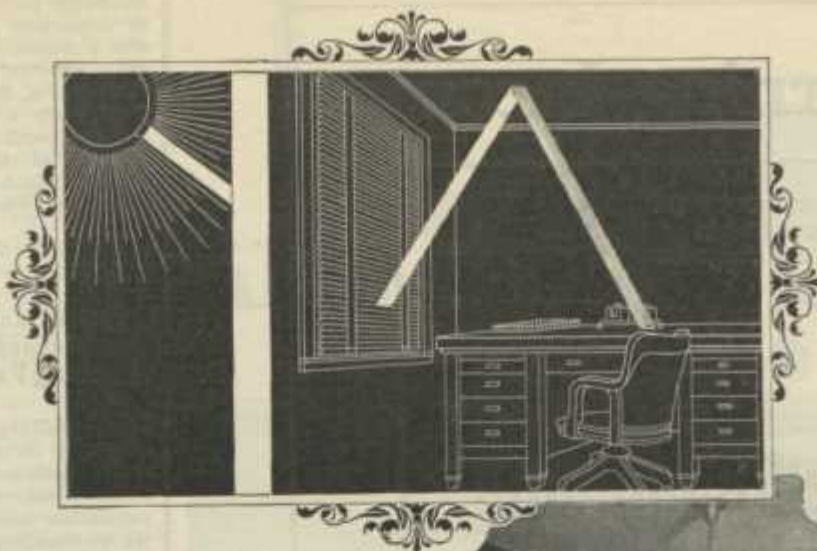
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Carriage Bolts	Elevator Bolts
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Cold Punched Nuts	Step Bolts
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Wrought Washers	Turnbuckles

The Columbus Bolt Works Co.
Columbus, Ohio

QUALITY

SERVICE



How a Ray of Daylight Travels to Your Desk —via Western Venetian Blinds

IMAGINE your office as dark as a dungeon. Suppose you could control and magnify a single ray of light from the sun, on to every reflecting surface and then to your desk. It would appear as graphically illustrated above.

This method of reflecting and distributing daylight as provided by *Western Venetian Blinds* accomplishes three important things: it eliminates glare, diffuses light rays, and distributes soft, restful daylight throughout the office.

Note that all available window area, especially the upper portion of windows which has the greatest lighting value, is utilized for lighting purpose.

In addition, ventilation is controlled. The blinds can be lowered while the windows remain open, thus regulating daylight and yet permitting a free circulation of fresh air.

Because *Western Venetian Blinds* perform an unequalled service, because they are economical, and because they are guaranteed, thousands of representative business institutions throughout America now use them.

Mail the coupon for free catalog describing the many advantages of this modern window equipment.

Western Venetian Blinds

MORE LIGHT~MORE AIR~LESS GLARE

WESTERN BLIND & SCREEN COMPANY

General Office, Los Angeles; Factories, Los Angeles and Kansas City
NEW YORK CHICAGO KANSAS CITY PORTLAND, ORE.
SAN FRANCISCO SEATTLE ATLANTA
Texas Agents: Two Republics Sales Service, San Antonio, Dallas, Houston.



Office of Westinghouse
Electric & Manufacturing
Co., Los Angeles, Calif.
Equipped with Western
Venetian Blinds



WESTERN BLIND & SCREEN CO.,
Dept. N-3, 2700 Long Beach Ave., Los Angeles, Calif.
Gentlemen: Without obligation on my part,
please send me your free illustrated 50-page catalog
showing installations of Western Venetian Blinds.

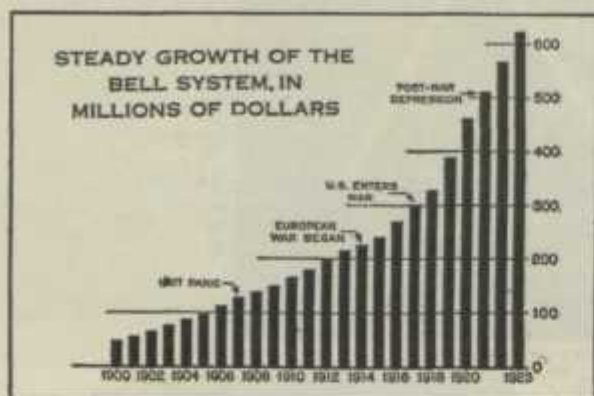
Name

Business Firm

Address

City State

Concerning Income



IT is not so much the fact that Bell Telephone income has risen to such a high figure during the past twenty odd years that constitutes a remarkable record, but the striking steadiness of the rate of increase, even in periods of financial depression or world disturbances.

The above chart graphically tells the story.

This record of income is a reflection of wise business management, sound financing, and continuous high ideals of public service.

A. T. & T. Stock pays 9% dividends. It can be bought in the open market to yield over 7%. Write for pamphlet, "Some Financial Facts."



**BELL TELEPHONE
SECURITIES CO. Inc.**

D.F. Houston, President
195 Broadway NEW YORK



"The People's
Messenger"

LYBRAND, ROSS BROS. & MONTGOMERY

Accountants and Auditors

110 William Street, New York

announce the completion of arrangements for the opening of offices in Central Europe. The main office will be in

Berlin, Germany

with Mr. E. Elmer Staub, C. P. A. (Pa.) as Resident Partner

Offices

New York
Chicago
Detroit
Cleveland
San Francisco

Philadelphia
Boston
Pittsburgh
Cincinnati
Baltimore

Los Angeles
Oakland
Washington
Seattle

Foreign Offices and Agencies

Berlin, Germany
London, England
Paris, France

November 20, 1924

steamship lines, and their charges and practices in connection with terminal service. There is also a discussion of railroad import and export rates applying through Gulf ports in general, with tables showing comparative positions of these ports with those on the North Atlantic and the South Atlantic coasts.

Copies of the report are obtainable from the Superintendent of Documents, Government Printing Office, Washington, D. C., at 75 cents each.

Conditions that determine the scope, composition and capacity of retail markets are appraised and discussed in trade information bulletin 202.

Retail Market Is Defined by Limiting Factors

"Measuring a Retail Market," published by the Department of Commerce. The conclusions presented

by the bulletin represent the experience of retail merchants throughout the country.

The bulletin includes discussions of the preliminary analysis of the market, the utility of population statistics in retail planning, age and sex distribution, diversification of industries and classification of factories, neighborhood purchasing power, labor situation, standards of living, considerations affecting farmers, and competition.

Copies of the bulletin are obtainable on application to the Department of Commerce, Bureau of Foreign and Domestic Commerce, in Washington, or from any of the district offices of the Bureau of Foreign and Domestic Commerce.

Recommendations of the subcommittee on plumbing codes appointed by Secretary Hoover,

Standard Code of Plumbing Recommended

are included in a report which asserts that they "help to make good plumbing more available, leading to higher living standards, better health

and less household drudgery."

A standard code was necessary, the Department of Commerce explains, in order to eliminate complications, confusion, ill-advised specialties, inconsistencies and lack of impartial enforcement of the varied plumbing codes throughout the United States. Representations to Secretary Hoover urged that the Department of Commerce take the first steps for the framing of a standard code. He appointed a committee to make a thorough investigation and then report to him. The report is based on tests made at the Bureau of Standards.

Summing up the report, William C. Groeniger, of Columbus, Ohio, a consulting engineer who served on the committee, said:

Dependable as a code that will insure the health of the people and prevent insanitary and unhealthful conditions; dependable because it is scientifically practicable, insuring the greatest protection of health at a minimum cost; dependable because it gives the same protection to those in the rural districts as it does to those in the cities; dependable because it is a people's plumbing code written entirely in the interest of what is good for the people; dependable because it eliminates the inconsistencies, indifference, local pride and prejudice found in many existing codes; and dependable because it recognizes that good plumbing concerns health and the Government has the right to protect the people's health.

Baskets for shipping fruits and vegetables are now made in too many shapes and sizes, says

Many Sizes of Vegetable and Fruit Baskets

the Department of Agriculture after an investigation that included all parts of the United States. The department's findings are presented in Farmers

Bulletin No. 1434, "Standard Baskets for Fruits and Vegetables."

Almost 30,000,000 hampers are used annually, but because of the different shapes and sizes of the hampers, the department believes, it is virtually impossible for a purchaser to know just how much he is getting when he buys a hamper of produce. It is estimated, for illustra-

tion, that one-third of the so-called half-bushel hampers now manufactured are short measure. Twenty different sizes of round stave baskets are in general use. Six would be sufficient, the department believes. The peck size has dwindled to one-fifth or one-sixth of a bushel, so the department reports, and the half-bushel to 12 or 14 quarts, the standard sizes seldom appearing on the markets.

The investigators found, the report says, that fifteen styles and sizes of round stave baskets, varying in size from one quart to 24 quarts, are in common use; about 40 sizes of cabbage crates, about 20 styles of celery crates, 30 sizes of lettuce crates or boxes, and 50 styles and sizes of hampers, although a relatively few standard sizes would satisfy all the demands.

Federal standards are now in effect to fix the sizes of barrels used for fruits and vegetables, and for cranberries, and federal standards are fixed for grape baskets, berry boxes, and small till baskets. Adoption of federal standards for hampers, round stave baskets, and market baskets, prepared by the department, is being urged.

Copies of the bulletin are obtainable on application to the United States Department of Agriculture, Washington, D. C.

The investigation of the possibilities of carua fiber as a paper-making material has been continued by the Bureau of Standards, and the data obtained so far show, the bureau reports, that either an exceptionally strong wrapping paper or a very

Carua Fiber as a Material for Paper Making

fine writing paper can be obtained from this fiber.

Three samples of carua fiber were used in the investigation. Each of the samples had received a different treatment. A yield of 40 to 67 per cent was produced, depending on the sample and the quantity of chemicals added. A 60 per cent yield of pulp was obtained from a sample when 20 per cent caustic was used. The pulp so obtained, the bureau says, bleached easily at or below 13 per cent, giving a very good, white-colored stock, which would compare favorably with rag stock.

A short investigation of the possibilities of chromium plating is being made by the Bureau of Standards to determine, if possible, what conditions will lead to the production of uniformly satisfactory deposits. The bureau is chiefly interested at present in the hardness of the deposited chromium and its possible application upon gauges and upon printing surfaces. From present indications, the bureau says, the process is not well defined and consequently the results are somewhat erratic.

Possibilities of Using Chromium For Plating

ent in the hardness of the deposited chromium and its possible application upon gauges and upon printing surfaces. From present indications, the bureau says, the process is not well defined and consequently the results are somewhat erratic.

Manufacturers Want Farmer's Dollar

THIS year is going to see a big drive, through research and through advertising, on the part of the retail farm implement dealers. They feel that the time is come for the reapers they sell to reap some reward for them.

Farmers as a whole made enough money last fall to pay off the debts loaded up during the very bad times. Some of them have a balance left over. In either case their future prosperity depends in great part on the availability of machinery, and old farm equipment, which necessarily suffered during the period of cash shortage, must now be replaced with new. The dealers are going to "educate" the farmer to see this point.

One implement man says he thinks the farmer should feel the same throb over his farm machinery as he does when he looks at his automobile. They are going to "educate" him to that, too. Henceforth he shall linger lovingly with his new harvester, and pine for the sound of his tractor-plow as for the purr of a Packard.



An increase in net profits of \$10,589.60 a year



What Clark Tractors did for The Bullard Machine Tool Company—they can do for you.

Once again Clark Gasoline Tractors have proved they are real money makers on material handling jobs—big money makers.

Here is what Stanley H. Bullard, Vice-President, The Bullard Machine Tool Company, has to say about Tractors:

"It had formerly been our practice to engage five men working all day to wheel the chips and refuse from our machine shop and assembling department. We also used one man for a half day around the yard, four men a half day handling foundry sand and two men part time on other work around the plant.

"This work was costing us about \$33.50 a day. Since we bought the first Tractor, it has handled all of this work, using a driver and two helpers, at a cost of only \$16.34. Our new Tractor is saving us even more. The total saving effected by the two Clark Tractors is \$10,589.60 a year, which represents a yearly return of 326 per cent on the investment."

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Manufacturers' Sign Service Division

8750 South State Street, CHICAGO, ILL.



A FEDERAL ELECTRIC SIGN IS THE CAUSE OF A BUSY STORE—NOT THE RESULT

Chips from the Editor's Work Bench

SOME kinds of white soap are found suitable for the carving of small sculptures. To focus the attention of sculptors on that discovery, the Procter and Gamble Company has offered three prizes of \$250, \$150, and \$100 to be awarded for sculptures of white soap. The competition was announced by the Art Center of New York. The entry list closed in December. No subject was selected for the competition. The entries were to be judged for beauty, inherent art qualities and excellence of technique.

The sculptures may be loaned by the Art Center for a period of six months for exhibition in museums, art organizations and schools throughout the United States.

It is all very well to show the ornamental quality of soap. And who would grudge this elevation to the sculptor's bench? But there's no shame to soap in remembering its humble associations with tub and sink. The smock has little in common with the apron . . . and



yet . . . a household crisis may bring memories of other days . . . when soap knew its place in the kitchen and was a stranger in the studio . . . emergency may sacrifice sculpture to service . . . should cleanliness ever seem more than art, an ivory Venus may be rated no better than common suds.

THE GOVERNMENT properly persists in denying business men an exorbitant profit, says a Chicago manufacturer who wants to know "Why not help business men to maintain a reasonable one? And when a profit has been declared a reasonable one why not punish severely the price-cutter who cuts that price, either secretly or otherwise?"

Thus delivered of questions, he offers invitation to read the eighth verse of the tenth chapter of Ecclesiastes. The verse reads:

He that diggeth a pit shall fall into it; and whose breaketh a hedge, a serpent shall bite him.

The excavation of the pit and its unhappy consequences are to be accepted without proof, but just as the "amen" is on the tip of the tongue the serpent rises up to complicate the conclusion. Isn't that serpent rather out of place on law-abiding business premises? Snake bite is more in character with flask breaking than with hedge breaking.

A LITTLE payment now and then will buy the best of cars. But possession raises the problem of parking. As in murder, the only perplexing part of the deed is what to do with the body. The parking problem has had novel solution in Detroit. Several owners of office buildings organized a corporation to provide parking space for the tenants. Three garages, of several floors each, were built of reinforced concrete and steel. All of the garages are within four blocks of the business district and are so located that the necessity of crossing many of the main streets is eliminated.

In addition to parking space, the garages

INSURING AN EDUCATION

WHEN you make a thing safe and sure for the future, you say that you "insure" it. The Declaration of Independence insured the freedom of the United States; the Four Power Treaty insured four countries against war in the Pacific.

An education can be insured. The institution of Life Insurance has shown many ways of saving money for a future use, such as the education of children—and more than "saving" it, insuring it, so that if the wage-earner dies and the saving stopped, the sum of money that had been planned for will be there to use just the same.

The father and mother who plan ahead, and who know that they will have a definite sum of money at hand when their children reach "college age" and the larger expenses begin—and that this sum is assured whether they live or die—have an inward sense of safety that cannot be taken away. Children who see the bright future of college have an added eagerness to prepare for this future.

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More Esterbrook Jackson Stubs have been used than any other stub pen ever made! If you like to write with a medium stub pen, rather firm in action, you'll surely like this one.

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THE POWER FOR OUR POWER ON THE SEAS

The sea power of the nations—the atlases usually picture it as a stair of ships—a big one for the nation with the largest tonnage, and then down step by step to Greece, Turkey, and Siam.

Such diagrams overlook one side of the story. Sea power is not wholly a matter of the number, size, and type of ships. How fast are they; how much can they carry; how easily can they be controlled; how cheaply do they operate—these, too, are mighty important questions.

In these directions sea power is being multiplied and revolutionized through the aid of electricity. It is making ships faster, more efficient, more easily controlled, more capacious, less costly to operate.

The most recent Westinghouse achievement, for example, is the electrically equipped and propelled Colorado, the mightiest dreadnaught afloat.

Not so spectacular as the Colorado, but richer in service to mankind, is the spread of electrification to liners, merchant ships, coast-wise vessels, tugs, ferryboats, wharves, and docks. Electricity turns propellers, handles cargos, drives deck machinery, lights ships, ventilates cabins, cooks meals.

Ships are often said to be little worlds within themselves. With Westinghouse assistance, and under Westinghouse inspiration they rapidly are becoming *electricified* worlds.

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The Business Budget protects profits, by preventing loss. It safeguards against over-expansion, over-production, over-expenditure. It shows the volume of expected sales, the consequent production schedules and inventory requirements. It is the business *plan*—a *guide*, not a law—based upon judgment, past experience, figures and facts.

Progressive management *knows that it must know*, and budgets the future. Elimination of ignorance and guess-work is as necessary to business as profit itself—for the *SAVING MADE* thereby *IS* profit—just as the difference between cost and selling price is profit.

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will provide facilities for repairing and washing cars, and accessories, crank case service, gas and oil will be available. Uniformed drivers for shopping and theater service, and vacuum-cleaning facilities for cleaning upholstery, will also be provided.

But why shouldn't Detroit be ingenious in solving the parking problem? It all comes down to a matter of moral responsibility. The mother of motor cars should know how to keep her brood off the streets.

ABOUT ten years ago the Bethlehem Steel Corporation cast a battleship upon the waters. The ship was built to the order of the Argentine government, and was named *Rivadavia*. Now the ship is to return to one of the Bethlehem yards for reconditioning. The contract amounts to several million dollars. It was obtained in competition with American and European firms.

Good workmanship went into the building of the ship. And that good workmanship was remembered when the contract was to be awarded. The builders report that "the quality of workmanship and service . . . were of great aid in receiving this important contract." Thousands of men were employed in building the *Rivadavia*, and thousands of other men will be employed in her repairs and alteration because of work well done by the builders.

To cast bread—or battleships—upon the waters is no great novelty. But to report the return of either with an order to the benefit of the original bakers or builders—that is to report the reward of good baking or good building.

THE air of American cities is not all it should be—"Legislation supplementing anti-smoke laws is needed," says Dr. H. B. Meller, of the Mellon Institute of Industrial Research. Dust and acid still menace the air, he believes, although there has been a de-



cided decrease in the quantity of dense smoke. Important progress has been made in combating the nuisance of dense smoke, but "dense smoke is responsible for only a small percentage of the precipitate."

It may be, as he says of Pittsburgh, that "one needs only to walk through some of the large plants to see and feel the amount of loose solid material that is being taken up into the air, carried a short distance and then deposited. . . . Surely the time has come when remedial action should be taken."

Studies have been made in St. Louis, Cincinnati, and Pittsburgh to determine the composition of soot. The time may come when cities will report the soot-fall in and out of season with the snow-fall—a sort of atmospheric index in black and white.

POTASH is important in the manufacture of fertilizer, soap, glass and dyes. Germany and France have been the chief sources of supply. The war threw the United States upon its own resources for potash. In 1918 there were 128 domestic plants producing 55,000 tons of potash, mostly from Nebraska.

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NATION'S BUSINESS
Washington

salt lakes, and as a by-product from the manufacture of sugar, salt, cement and steel. In September, 1922, potash went on the tariff free list, and the domestic industry almost vanished, according to the Engineering Foundation.

Exhaustible quantities of potash are contained in the greensands of New Jersey, the potash shales of Georgia, and the minerals leucite and alunite found in Wyoming and Utah, respectively, asserts Dr. J. W. Turrentine of the United States Department of Agriculture. The problem of recovering potash is much nearer solution than is generally known, he believes.

"Potash manufacture in this country," says Dr. Turrentine, "has developed so rapidly since the war that it is now able to meet successfully the competition of European products placed on our seaboard under the severest competition." Surveys of alcohol, cement, borax and blast furnace industries disclose "a total tonnage of potash there producible of 225,000 tons." And "where," asks Dr. Turrentine, "is the logic in going to Europe for our potash while we are throwing away as waste product of our industries our practical requirements?" To which the illogical can only mumble, "Where, indeed?"

And the discovery of "polyhalite," a potash-bearing mineral, in connection with salt beds known to underlie an area of about 100,000 square miles in Texas, New Mexico, Oklahoma and Kansas, should give impetus to the domestic potash industry.

And if the deposits pan out in commercial quantities, the land of the farms will seem a little more native for its enrichment of native potash. And the incandescent patriots who banned soap during the war because of its German potash may get back to normalcy by working up a 100-per-cent-American lather.

DRUGGISTS make no bones of laying tongue to whole shelfloads of hard names, and the list of names is becoming harder and longer. The druggists themselves say so. In 1871, says a review issued by the National Wholesale Druggists Association, the catalog of a well-stocked wholesale drug house included 825 proprietary preparations. By 1916 the number had increased to 38,000. The number of proprietary preparations now on the market is about 50,000.

The increase of the variety of preparations and pharmaceutical goods reflects an increase of pharmaceutical manufacturers and dealers. From less than 100 pharmaceutical manufacturers in 1880 the number has now increased to more than 400. In the same period the number of patent medicine manufacturers increased from 563 to 1,436, and those making perfumery and cosmetics from 67 to 422.

A measure of the nation's drug business is indicated in the increase of the number of dealers—from 6,139 "apothecaries and druggists" in 1850 to 49,000 "dealers in drugs and chemicals and pharmacists" in 1924. To the competition of manufacturers for the orders of dealers is traceable the duplication of products and simulation of specialties, says the review. Of the consequences of those practices, the association says, "it is now fairly well settled that the inventory of a well-stocked wholesale house shows entries of from 45,000 to 60,000 separate articles."

To move those "45,000 to 60,000 separate articles" is a problem of distribution faced by 245 wholesale houses located in 165 cities. To know that 45,000 different things are produced for one branch of business, and to know that all of those things have definite use is to approach a new understanding of the refinements of modern life.—R. C. W.



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The Man Who Lost Out

By years of hard work and intensive effort, he had built for himself a business. He had gained for his family comfort and a competence—but he lost out, because, at the height of his business success, he lost his health.

He lost his health because he did not guard it as he guarded his business interests, although it was a more precious possession.

He had a periodical trial balance made of his books, but he never had a periodical trial balance of his health.

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Recent Federal Trade Cases

RELAXATION of the commission's strictures on the use of the word "shellac" to designate products not composed wholly of 100 per cent shellac is indicated in a modified order issued against a manufacturer of paints, varnishes, and substitutes for shellac, with offices at Rochester, New York. In the original order the firm was prohibited from using the word "shellac" alone or in combination with any word or words on any product not composed wholly of 100 per cent shellac gum cut in alcohol, unless accompanying words closely set forth the percentage of each ingredient of which the substitute is composed.

The modified order permits the use of the word "shellac" accompanied by the word "compound" in equally conspicuous letters when the product is not pure shellac, but in which shellac gum is the principal and predominant ingredient. The order also permits the use of the word "shellac" accompanied by the word "substitute" when shellac gum is not the principal and predominant ingredient. Commissioners Thompson and Nugent dissented to the modified order.

Included in the modified findings as to the facts are the commission's statements that the firm in the course of its business has caused to be manufactured and sold throughout the United States a product used by consumers as and for shellac. The product, the commission says, is marketed under the name and label of "American Shellac." According to the commission, "shellac," as used and understood in the trade and among manufacturers, distributors and painters with reference to a gum or raw material, means the shellac gum imported from India, and the term "shellac" or "shellac varnish" is understood and does mean to manufacturers, distributors, painters, and a large part of the purchasing public, the Indian gum cut in alcohol.

From about March 23, 1919, to April, 1922, the commission reports, the firm manufactured, sold and marketed a product named and branded "American Shellac." The labels on the containers, in addition to the company's name, the commission asserts, bore the legend "American Shellac White." The finding is then recorded that the product so branded, labeled, distributed and sold contained no shellac, that is to say, no gum produced in India. After April 1, the commission explains, the firm, in the manufacture of its product, put 1 pound of India gum with 44 pounds of other gums to each 10 gallons of alcohol.

The word "pure," the commission holds, applied to shellac indicates that the product so marked is free from adulteration, modification or reduction of an entire content of shellac gum dissolved in alcohol; the word "shellac" standing alone or with a color adjective has the same meaning; the word "compound" indicates adulteration, modification or reduction to only such extent that the word "shellac" used in conjunction with the word "compound" denotes that shellac gum is the principal and predominant ingredient of the compound, and that the word "substitute" as a qualification for the word "shellac" indicates an adulteration, modification or reduction in the amount of shellac gum present to such an extent that shellac gum is not the principal and predominant ingredient of the compound.

To the commission's way of thinking, the use by the firm of the labels "American Shellac" on the containers of the varnishes composed of shellac gum mixed with a large quantity of substitutes, manufactured, sold and shipped by the

firm as alleged in the commission's findings, has the capacity and tendency to and does mislead and deceive a considerable part of the purchasing public into the belief that the products, so labeled, are composed solely of genuine shellac gum dissolved in alcohol, and to induce the purchasers to buy the products in that belief.

The modified order requires that the firm discontinue:

1. Using the words "Pure Shellac," "American Shellac," or "Shellac" alone or in connection with any other word or words, unless the product designated is pure shellac gum dissolved or cut in alcohol.

2. Using the words "American Shellac" or the word "Shellac" alone or in connection with any other word or words to designate a product which is not pure shellac but in which shellac gum is the principal and predominant ingredient, unless accompanied by the word "compound" in equally conspicuous letters.

3. Using the words "American Shellac" or the word "Shellac" alone or in connection with any other word or words to designate a product which is not pure shellac and in which shellac gum is not the principal and predominant ingredient, unless accompanied by the word "substitute" in equally conspicuous letters.

Commissioner Thompson in his memorandum of dissent quotes from a resolution adopted by the Varnish Manufacturers Association on November 13, 1922:

That if the shellac content be less than 50 per cent of the solid content by weight of the material, the word shellac shall not be used on labels or advertising, except as a part of the formula, if printed, except in connection with the word substitute or imitation.

The memorandum of dissent asserts that in the resolution cited the shellac content is fixed at "50 per cent of the solid content by weight of the material." Mr. Thompson records his belief that the commission's finding leaves out "50 per cent" and "solid content by weight" and uses in place of them the words "principal and predominant element."

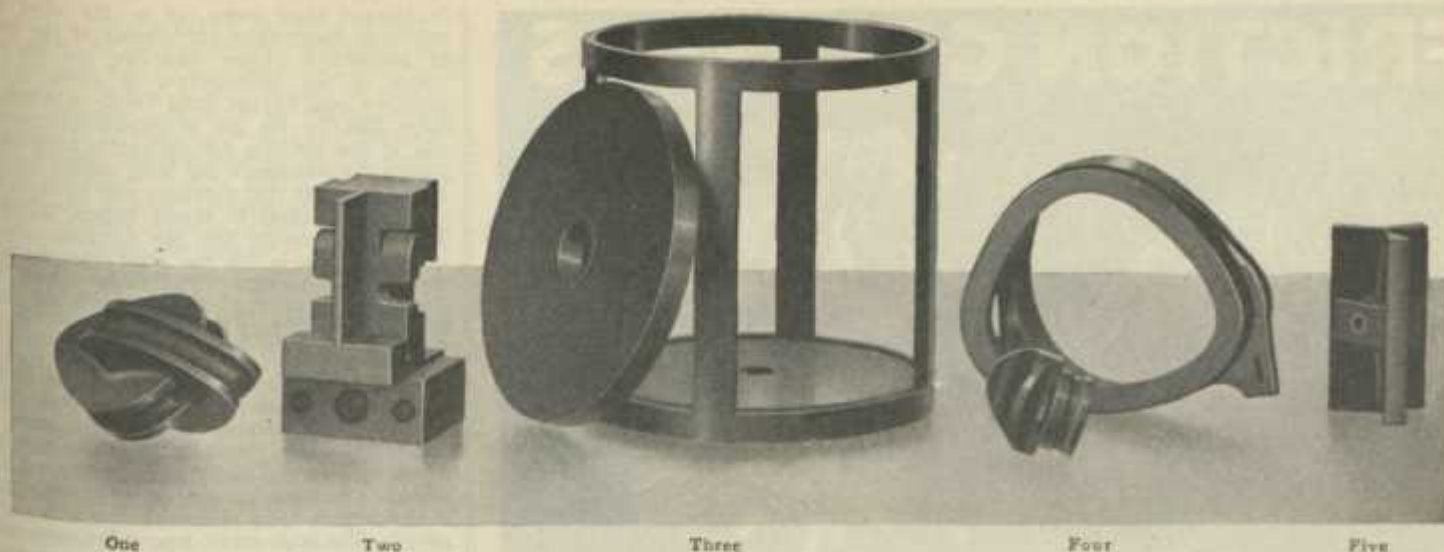
To the words "principal" and "predominant" he found "two fatal objections." They are "ambiguous and not specific," and the difficulties in regulating such a situation created by the language used with the many and constant tests that would have to be made of a competitor's product where any amount less than 100 per cent was used would be so burdensome upon the industry and upon the commission in enforcing the regulation that it would be impractical. Commissioner Nugent made a similar statement.

THREE retail firms of furniture dealers in New York City are made answerable in complaints which charge unfair methods of competition. In the three complaints the firms are separately charged with misleading the public into the mistaken belief that they are either manufacturers of furniture sold by them or direct agents or representatives of the manufacturers. The complaints allege that the misrepresentations used by the firms are accomplished by the use of slogans on signs and in advertisements to the effect that purchasers buying from the firm are buying direct from the manufacturer, and are thereby saving the middleman's profits. The firm's alleged representations to that effect are contrary to fact, the commission contends, and records its belief that none of the firms either owns or operates a furniture factory. Charges

THIS article outlines some of the charges, findings and orders issued by the commission in consideration of complaints proceeding from trade practices in connection with:

Electrical Appliances
Furniture
Hosiery

Kitchen Utensils
Shellac
Trade Names



Five manufacturing problems were solved by these **BAKELITE** molded parts

1. An air-craft builder required an insulating link in the wire cables by which the fuselage was attached to the gas-bag. Mechanical as well as dielectric strength was required, and since Bakelite combines these properties to an unequalled degree it solved the problem.
2. The product of an electrical manufacturer demanded the use of an insulating block of very intricate form. To machine it would require many expensive, time-consuming operations. Now it is molded of Bakelite in a single operation.
3. A metal plating company required a part that would be unaffected by constant immersion in a plating bath. The part was molded of Bakelite which, because of its acid resistant properties, was a complete success.
4. An optical company, making welders' goggles, needed a material that was light in weight, non-absorbent, heat resistant and non-inflammable. Bakelite was used, for it possessed all these essential properties, and could also be molded to exact dimensions in a single operation.
5. The maker of an automobile head-lamp required a three-way plug, small in size and very thin in section. Through molding it of Bakelite he not only obtained ample wiring space, but was able to imbed three metal inserts at the same time.

These are but five of the hundreds of parts problems that have been successfully solved through the use of molded Bakelite.

You are cordially invited to enlist the cooperation of our Engineering Department.

"The Story of Bakelite," by John Kimberly Mumford, has just been published. This is a fascinating and educational story about the discovery and development of Bakelite. We shall be pleased to send you a copy.



BAKELITE CORPORATION
241 Park Avenue, New York, N.Y.
Chicago Office: 636 West 22d St.

BAKELITE

THE MATERIAL OF A THOUSAND USES

FRICITION COLLECTS



(ADVT. No. 1 OF THE SKF CERTIFIED CAMPAIGN)

Ball Bearings Save In One Year

\$2,019.48 In a Single Plant

If you pay for power, for lubrication or for labor, or if you merely supervise these things—READ! For here are facts unpolished and uncolored that deal with the thing that is the objective of every business organization—PROFITS.

There is a plant in the south that formerly limped through the day on power carried by 150 odd hungry babbitt bearing hangers. They were hungry for power, fuel, lubricant and for attention. Then a far-seeing superintendent who had been checking up power, lubrication and labor costs ordered the installation of 155 Skayef Self-Aligning Ball Bearing Hangers. The result was a saving of \$2,019.48 the first year, or just one-half the cost of the Skayef installation. Here are the certified figures:



1307-S Self-Aligning

Annual saving in power cost in Mill No. 1 and Mill No. 2 . . .	\$1664.38
Annual saving in lubrication	299.10
Annual saving in cost of re-aligning the old plain bearing hangers . . .	56.00
Total Savings	\$2,019.48

Return on Entire Investment—50%
Certified Report sent on Request

Why not allow the **SKF** engineers to study your power transmission problems and prove to you why you cannot afford to continue using plain bearing shaft equipment.

The SKAYEF BALL BEARING CO., 165 Broadway, N.Y.

For Nearest Distributor see MacRae's Blue Book

BALL BEARING



Not Self-Aligning

SKAYEF HANGERS

POST HANGERS, PILLOW BLOCKS **SKF** AND TRANSMISSION APPLIANCES

Who are our 165,000 Subscribers?

They are executives in 96,813 Corporations*

In these corporations the magazine is being read by the following major executives:

Presidents	41,435
Vice-Presidents	18,770
Secretaries	18,141
Treasurers	8,782
Partners and Proprietors	10,097
Directors, Chairmen of Boards, Comptrollers, General Counsels, Superintendents and Engineers	7,080
General Managers	13,061
Department Managers (Branch—Purchasing—Sales—Export, Etc.)	12,350
Major Executives	129,686
Other Executives	9,823
Total Executives	139,509
All other Subscriptions	25,476

If this audience represents a market for your products, we shall be glad to give you complete advertising details

NATION'S BUSINESS, Washington

*Figures based on a complete investigation of all subscribers in twelve cities.

When writing to THE SKAYEF BALL BEARING COMPANY please mention Nation's Business

in two of these cases are to the effect that erroneous impressions are created in the minds of prospective buyers regarding the place of origin of the manufacture of some of the furniture sold by the firms cited. Charges are made that by the use of advertising material, and in one instance the company's trade name, prospective purchasers are being misled into the erroneous belief that furniture sold by these two companies is made in Grand Rapids, Michigan. The citation asserts that the furniture sold by the two firms is for the most part made at places other than the city of Grand Rapids, and by manufacturers not connected with the furniture industry of that city.

GOODS or merchandise not imported from a foreign country into the United States should not be advertised as imported, ruled the commission after investigation of a complaint against a firm of Camden, New Jersey. A prohibitory order has been issued. The trade name of the firm included the words "importing company." The trade name, reports the commission, was prominently displayed in newspaper advertisements, catalogs, and other advertising matter, although the findings assert that the firm does not import any of the merchandise so advertised, but purchases it from concerns located in the United States. According to the commission, the merchandise was not imported but was manufactured in the United States.

The commission's order requires the firm to discontinue

Using and displaying the word "import" or the word "imported" in a trade name or in catalogs, labels, circulars, literature, advertisements, or otherwise in connection with the sale of goods, wares or merchandise which is not imported into the United States from a foreign country.

Representing or advertising by means of letters, circulars, newspapers, labels, brands-marking, or other means whatsoever, that the . . . is an importer of goods, wares, or merchandise sold or offered for sale, when said statement or representations is untrue and false.

METHODS used by four firms in the advertisement and sale of hosiery have come under the scrutiny of the commission. Misbranding was charged in all four cases. One case included a charge involving representations that the firm was a manufacturer of hosiery, giving the impression, the commission says, that the customer was buying direct from the manufacturer, thereby eliminating the middleman.

In its investigation of a complaint against a firm at Burlington, North Carolina, the commission found, it reports, that the firm sold and shipped hosiery made of cotton and containing no free silk, which was branded and marked with labels bearing the words "Made of cotton and cut silk in the U. S. A." No other words were on the labels to indicate the kind and grade of material of which the hosiery was manufactured, the commission asserts. The practice described, the commission held, misled and deceived the trade and the purchasing public into the mistaken belief that the firm's hosiery is composed in part of silk, and induces the purchase of the hosiery in that belief. An order has been issued to prohibit the practice.

A similar order has been issued against a firm at Easton, Pennsylvania. According to the findings in this case, the firm labeled boxes, in which it packed its hosiery, with the words "Pure Silk Hose of Quality," and on the feet of each pair of hose were stamped the words "Pure Thread Silk." The hosiery so labeled was not composed of silk, the commission contends, and charges that the tops, toes and heels were made of cotton.

A knitting company at Rockford, Illinois, is made answerable to the commission in a complaint that charges the branding and advertising of "seamless" hosiery as "fashioned" or "full fashioned." The company, the citation asserts, advertised its product as "Rockford Fashioned

Hosiery" or "Rockford Full Fashioned Hosiery." The hosiery so designated, the commission believes, is not woven flat, shaped and sewed up the back, according to the method of making hosiery generally understood by the trade and the public to be "fashioned" hosiery. The company's hosiery, the complaint charges, is what is termed "seamless" hosiery and is knit over a cylinder and made to conform to the shape of the leg by means other than used in the manufacture of "fashioned" hosiery. The company's hosiery, it is alleged, has a mock seam and is made to simulate fashioned hosiery.

Investigation of a similar charge against a Philadelphia concern resulted in an order to discontinue advertising, labeling, or representing hosiery as being "fashioned" or "full fashioned" unless the hosiery so designated is in fact made by joining the opposite sides of a fabric which has been woven or knitted flat and open in a form to make a shaped hose when closed, or in which the fabric so knitted flat and open has been cut to make a shaped hose when closed.

Another alleged unfair practice disclosed in the investigation of this case involved the concern's selling methods. By use of its trade name, which included the word "mills," and by statements indicating that it was a manufacturer of hosiery, the concern, says the commission, gave the impression to the purchaser that it sold direct to him with a single profit. The printed matter with which the concern provided its salesmen impressed the commission as tending to cause purchasers to believe that the concern was selling direct from the mill.

By the terms of the commission's order the concern is required to discontinue advertising or representing in any way the ownership, control or interest in any factory in which are manufactured the products sold by the concern unless it is in fact the manufacturer of the products so advertised or represented.

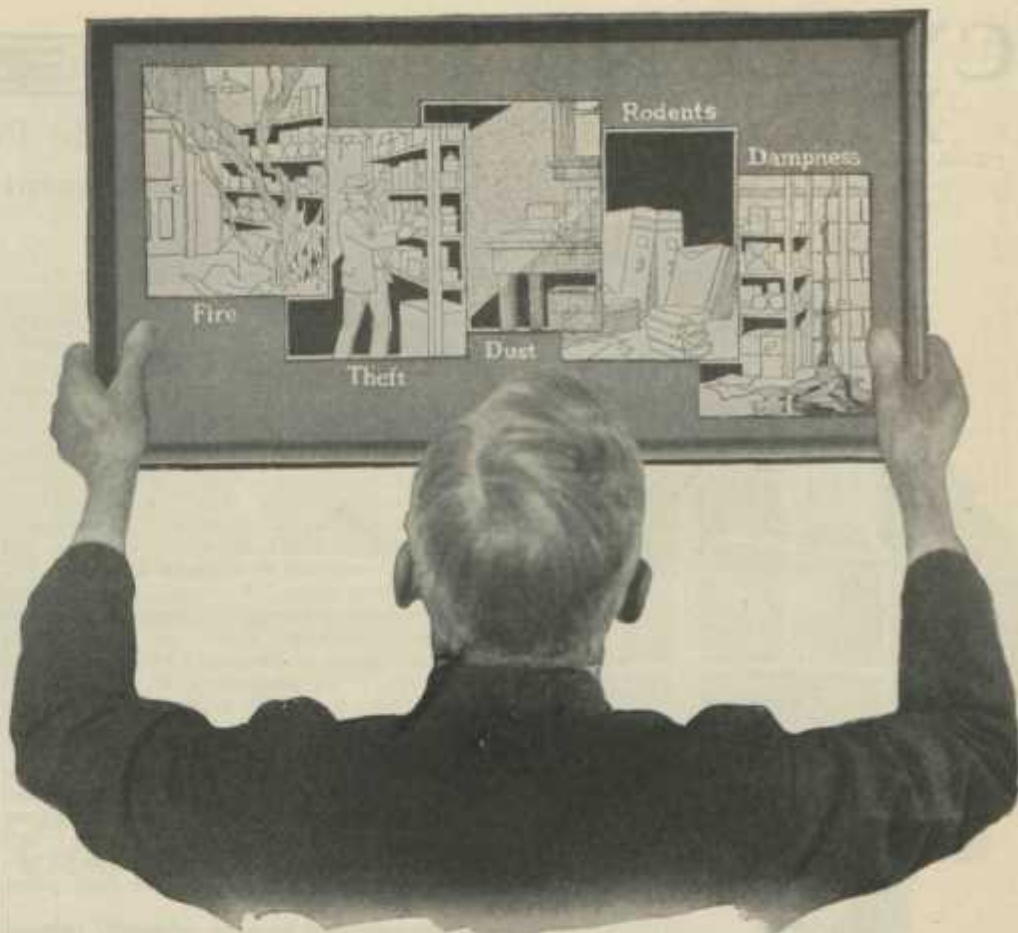
MAINTAINING and enforcing a merchandising system of fixing specified uniform prices for its products in cooperation with wholesale and retail dealers is charged in a complaint issued against a manufacturer of electrical heating and cooking appliances at New Britain, Conn. In enforcing its price plan, the firm will withdraw from dealers not selling at its prices certain price advantages and certain advertisements and selling assistance which the firm in many instances supplies to dealers who do maintain its prices—so the charges read. There is also allegation that the firm employs its salesmen and other agents to obtain information on offending dealers and to make report accordingly.

THE COMMISSION has sent to the United States Senate a report on kitchen utensils, and domestic appliances, the third and last volume of its report on the house furnishing industries made in response to Senate Resolution 127, Sixty-seventh Congress, second session.

In a summary of the report, the commission asserts that

The outstanding features of the report are the control exercised by patent pools among manufacturers of washing machines, the shutting out of new competition in the vacuum cleaner industry, the questionable competitive tactics of the leading manufacturer of aluminum cooking utensils, which is affiliated with the Aluminum Company of America, the monopolistic position of the latter company, which has apparently engaged in various practices forbidden by a judicial decree under the Sherman Act, the dominating position of the Singer Company in the sewing machine industry, the efforts of trade associations in the refrigerator and broom industries to enhance the prices of their products, and the competitive methods of retail dealers in kitchen utensils and domestic appliances.

A summary of the report is now available in mimeograph form. Copies of the summary are obtainable by addressing the Secretary, The Federal Trade Commission, Washington, D. C. The report in its printed form will not be available for several months.



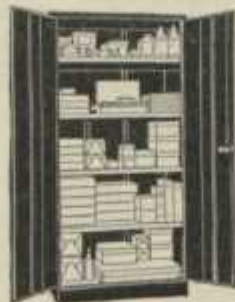
Keep This Picture Before You

Your Five Enemies

The moment you receive a shipment of materials, parts, tools, supplies or other merchandise—that moment five destructive enemies commence to threaten it. They are Fire, Theft, Dust, Rodents, Dampness.

The value you've paid for begins to depreciate. Losses are as inevitable as death and taxes—and *complete* loss is an easy possibility unless you exercise vigilance.

Van Dorn Steel Storage Cabinets not only give protection—they also provide economical and efficient storage space. They keep valuable items not only safe, but *available*. Better let us send Storage Cabinet catalog!



The Van Dorn Iron Works Co., Cleveland
Branches: Cleveland New York Chicago Philadelphia
Washington Pittsburgh

Van Dorn

MASTERCRAFTSMANSHIP
IN STEEL

CYCLONE FENCE

"GALV-AFTER" CHAIN LINK FABRIC



With Cyclone Fence enclosing industrial property, administration becomes greatly simplified, grounds are easily controlled, entrances and exits are centralized. Losses through trespass, theft and vandalism are eliminated.

Cyclone "Galv-After" Chain Link Fence is Heavily Zinc-Coated (or Hot-Galvanized) by Hot-Dipping Process AFTER Weaving. Carries all the zinc-coating that will stay on the wire. No painting.

We manufacture Iron Fence for industrial uses, in many patterns.

Write nearest offices, Dept. 61, for complete information

CYCLONE FENCE COMPANY

Factories and Offices:
Waukegan, Ill. Cleveland, Ohio
Newark, N. J. Fort Worth, Texas

Western Distributors:
Standard Fence Co.
Oakland, Calif.

Northwest Fence & Wire Works
Portland, Oreg.

 The Mark of Quality Fence and Service

PROPERTY PROTECTION PAYS



Trade Paper Digest

Current Comment in the Business Press



MANY there are who are beating up a Boom! Boom! on the big press drums. Everybody hears since it is "on the air"—and we all like to listen to prosperity talk. As *The Annalist* puts it, "The boom fever is infectious by mere example." It is so tempting to fling off moderation and cry, "Hurrah! Let's believe it and it will be so!"

Far from the excitement, however, are the sources of real bona fide facts about the business situation. These facts are what count. Summarized from such journals as *The Annalist*, *The American Metal Market*, *Commerce and Finance*, *Commercial & Financial Chronicle*, *The Price Current-Grain Reporter*, *The Journal of Commerce*, the sound judgment of the trade press is as follows: People feel more secure and hopeful; we are furnished with opportunity rather than with prosperity; we should make haste slowly; finally, it is unwise to count on a boom.

Increased commercial activity is undisputed. But if business men are tempted to jump to the conclusion that it is fair sailing they had better first study well two dangerous conditions which threaten: First, overproduction with diminished buying capacity; and, second, foreign competition underbidding our high prices on our own territory.

Unless overconfidence is promptly reduced, commodity prices will soar as a natural result of the speculative movement; then there will be inevitable disastrous deflation because, first, of insufficient buying power—there is a gap of about 14 per cent between this fall and last, in the matter of factory employment (and resultant purchasing power) and the price level. And further, what buying power there is will be diverted to those imported goods which will be offered at prices so much lower than ours.

Quoting from *The Annalist*: "The prophets of the boom are counting on what appears to be an impossible development. The normal course is the rise of demand—representing actual purchasing power—in advance of an increase in production. The contrary course, which is the present course, is that production is increasing and prices are raised not only in advance of an increase in demand, but in the face of an undeniable and marked decrease in purchasing power." And as to foreign competition—"There are enormous and increasing sums due us for loans and interest. They can be discharged only through merchandise imports. They will be discharged in that way unless our tariff barrier is raised to heights which even in protectionist America seems improbable..."

Much criticism is leveled against the Federal Reserve System. *The Commercial & Financial Chronicle* states that "because of the existence of the reserve banks, the volume of the circulating medium of the country is being kept at a level enormously above what it should be—and we are using the word 'enormous' advisedly." The system is accused by bankers of having accentuated the swings of the financial pendulum instead of modifying them.

The Annalist calls upon the Federal Reserve System to check the speculative danger that is upon us—which, as aforesaid, may communicate itself to commodity prices—by "the sale by the banks of the securities they have been withdrawing from the market for many months past" and adds that this "should not be further postponed."

As to increased commercial activity, *The Journal of Commerce* uses pig iron and steel as an illustration: "Upon close analysis there is a good deal in current developments in business as distinguished from the stock market which

ought to give careful observers pause. Recent trends and late developments in the iron and steel industry afford an excellent illustration of the nature of the outlook at the present moment. For some time past a markedly better demand for pig iron has been reported. But to a large extent mills have been buying pig iron on the hope and expectation of larger orders for the products to be manufactured from it rather than on the strength of orders on hand. More recently certain types of steel products have been bought distinctly more freely at substantially higher prices, but the bulk of the buying is being done either by middlemen who hope later to resell to actual consumers at higher prices or to a lesser extent by manufacturers, who are for the most part acting on faith that business is to be distinctly better in the reasonably near future."

Mr. Baruch's Commerce Court Fails to Capture the Press

MR. BERNARD M. BARUCH has shot an arrow into the air. He attended a meeting on November 11 of 150 former members of the War Industries Board of which he was formerly head, and at this meeting proposed, according to *The Price Current-Grain Reporter*, "the establishment of a court of commerce" which "would encourage such practices of cooperation and coordination in industry as would be found to be clearly of public benefit" and which "should be clothed with the power and charged with the responsibility of standing watch against and preventing abuses."

The trade press howls denunciation. *The Commercial & Financial Chronicle* devotes three scathing columns to the matter. It quotes Mr. Baruch as defining the organization as a "court of commerce before which business men would come with such questions as whether in time of overproduction and low prices they could cut down production and fix a price." And pointing to the presidential election as a demonstration of refusal of government control, asks "Must we go on for four more, or forty more, years combating reappearances in various forms of the idea of 'government in business'?" It would seem so. Election mandates by the people do not seem to make a dent in the self-sufficiency of the reformer." And disposes of Mr. Baruch's plan thus tersely: "Without going into details, we may say we do not want it."

Is it possible that the Federal Trade Commission "is somewhere blocking Mr. Baruch's path," muses *The Dearborn Independent*, "that he should be so desirous of establishing a Court of Commerce?" And what is it exactly that he wants? Why apparently something that would result in "government sanction to decrease employment and increase prices." Mr. Baruch seems to be "mostly interested in 'what we are going to do with our great aggregations of capital.'" His "anxiety may be easily allayed," however, for the journal announces "we are not going to rear in this country any Court of Commerce which shall see that great aggregations of timid idle capital are protected in a way that great aggregations of wage-earners are not protected."

If Europe Can't Buy From Us South America Can: Let's Go!

A SALESMAN in South America gives, in *Printers' Ink*, a most valuable survey and explanation of trade competition in South American countries.

Since the war, Germany has swung toward



Charging Goods at Wanamaker's

Mrs. Smith prefers to shop at Wanamaker's. Whether she charges a pair of gloves or a platinum pendant there's no embarrassing delay while the clerk looks up her credit. It isn't because Mrs. Smith is so well known or that Wanamaker's is careless about credit. Quite the contrary.

While the purchase is being wrapped, the floor manager steps to a P-A-X telephone. By dialling a number he connects himself directly with the credit section which handles the O-T group of names. The credit operator notes the name and address, consults the rotary index at his side and if the account is correct replies "O.K."

The Credit Checking System is but

one of the many Automatic Electric Services of the P-A-X that saves time and money and builds goodwill. Others are the Code Call, Conference Wire and Executives' Priority Service.

For 24 hours a day the P-A-X handles all inter-communication calls instantly, accurately and automatically. There is no operator to delay connections, give the wrong number or to "listen in" on conversations.

To nearly 2,000 organizations, in every field of business, the P-A-X has proved itself a vital necessity and has paid for itself in a short time by saving operators' salaries.

Automatic Electric Company

Originators of the P-A-X. For more than 30 years the engineers, designers and manufacturers of the Automatic Telephone in use the world over. Home Office and Factory, CHICAGO, ILL. Branch Offices: New York, 21 East Fortieth St.; Cleveland, Cuyahoga Bldg. Representatives in all principal cities. In Canada—Address: Northern Electric Co., Ltd., 121 Shearer St., Montreal, P.Q. Abroad—Address: International Automatic Telephone Co., Norfolk House, Norfolk St., Strand, London, W.C.2, England. In Australia—Address: Automatic Telephones, Ltd., Mendes Chambers, Castlereagh St., Sydney, Australia.

The P-A-X is similar to the Automatic Telephone equipment being so widely adopted for city service. It augments and completes but neither supplants nor connects with local or long distance telephone service.





"Best Book We Have Ever Put Out"

"IT IS the best book that we have ever put out . . . and we are glad now that we selected a Molloy Made Cover to use on our book."

Hard selling was required to convince the Union Hardware & Metal Company that a Molloy Made Cover was the ideal binding for the catalog pictured above. 3184 pages make a big book, requiring a binding of exceptional durability. It must stand up under hardware store treatment over a long period. Its color and general appearance must compel admiring attention. But Molloy Made Covers met all these qualifications with flying colors, the books were delivered, and the adver-

tising manager writes enthusiastically as quoted in the first paragraph.

Molloy Made Covers are of heavy leather cloth and will endure almost any amount of punishment. They are without equal for binding catalogs, sales books, data reports, or any other books which are subjected to hard use. Their rugged good looks never fail to command instant and favorable attention anywhere. And their cost is moderate. Send us details concerning your next book, and let us submit figures for a Molloy Made Cover that will make it "The best you ever put out."

Molloy Made Covers are made only by

THE DAVID J. MOLLOY COMPANY, CHICAGO

2861 North Western Avenue

Prospect-Fourth Building, Cleveland
126 East 84th Place, Los Angeles

300 Madison Avenue, New York
Carlton Publicity, Ltd., London

MOLLOY MADE

Commercial Covers  for Every Purpose

Reprints of Articles

appearing in this magazine may be ordered
from NATION'S BUSINESS, Washington.

We will give permission, on request, for the reprinting of articles from NATION'S BUSINESS in house organs, or in other organization periodicals.

herself all the trade of South America and has done it through undercutting prices. She has beaten the world at the game. The United States and Great Britain were about equal in their disadvantage when it came to bids; German agents always offered 25 to 30 per cent less, and delivered at South American ports at that.

Germany's ability to cut prices and still reap large profits is ascribed to the currency depreciation and to sale of worthless credits.

Now all that is changed. The Dawes Plan wiped out the handicap, and henceforth German agents start at scratch with the rest. Prices already have advanced on German imports, so that there is little to choose today between foreign bids. This throws the German salesman into keen competition with others—on the merits of his goods and the effectiveness of his sales methods.

Now, German goods fill the requirements, German agents do not approach their Latin-American customers stupidly, and—German salesmen already have the business.

A word to the wise is given, in this very practical little article, which may be summarized thus:

The prospects for Latin-American trade are better than at any time since 1915. Send your best men with "thorough knowledge of your own and your competing lines"; send men with "the ability to smile and be agreeable"; send men who speak the languages (not just one language) and have good health. Do not think because our advertising leads the world that North American ads will do in South America or that the same "set pieces" in Spanish will do for all South American countries; Latins must be studied and each must have its individual appeal. Excellent results are promised "for those who have the means, organization and ambition to go after the business."

Pan-American Standardization To Have Conference at Lima

ON DECEMBER 23 the first Pan-American standardization conference will meet at Lima, Peru, to consider, as listed by *The Iron Age*, "standardization of specifications and uniform nomenclature of raw materials, supplies, tools, machinery, equipment and other merchandise." It is said that "special attention will be devoted to the standardization of crops and raw products."

Sugar from Artichokes Sweeter Than Cane or Beet and Cheaper

THAT the President is perplexed over conflicting reports on sugar costs seems evident to *The Louisiana Planter and Sugar Manufacturer*. He has asked the Department of Agriculture to furnish him with data of agricultural costs to supplement the Tariff Commission's report. The Tariff Commission, which has made its report on the cost of producing sugar in this country, entertains "a wide conflict" within itself "as to the cost of production." Moreover, "the commission did not include in its report the results of its investigations of the agricultural costs of producing sugar cane or sugar beets," although "they were requested by the domestic interests at the last hearing to include those costs and it was pointed out by these interests that the necessity of showing the profit or loss in the agricultural operations was imperative." Sugar is a huge industry, involving so great a volume of trade that the question of the tariff on it looms large.

Two items from Great Britain, via *The Louisiana Planter and Sugar Manufacturer*, may have important bearing upon the matter of producing sugar. England is trying to stimulate her colonies and possessions to produce more sugar so that eventually the British Empire may become self-supporting in regard to this commodity: "Prior to the war, only about 3½ or 4 per cent of the sugar consumed by Great Britain was supplied from British sources . . . in 1923 a marked increase in British-grown sugar, equaling 23½ per cent of the total sugars imported by Great Britain."

The second item comes from the realm of

science: The formation of synthetic sugar is announced. Dr. E. C. C. Baly, Sr., professor of chemistry at the University of Liverpool, has manufactured sugar from carbon dioxide, water and intense application of the ultra violet ray. "The sugar produced was a sugar of the glucose type. The problem of commercially using this extremely important development appears to rest upon a search for a means of producing the proper wave length of ultra violet light without any of the objectionable kind." *Facts About Sugar*, however, insists that this subject "is of scientific but not of commercial importance."

Now American science has the last word to say. Levulose—1½ times sweeter than cane sugar—is about to displace the sucrose of our breakfast coffee and cereal. It can boast of being "several times more soluble than the cane product," claims *The Washington Farmer*, "and it can be manufactured by a much simpler process though utilizing in a large degree the same equipment now used" And last but most delightful of all, "it can be produced at a cost of four cents a pound" Its source is the humble Jerusalem artichoke which may be grown in various kinds of soil and climate, is unharmed by several freezings, and will keep on the ground six or eight months. The crystallization of levulose was achieved by Dr. R. P. Jackson, of the Bureau of Standards, in his laboratory at Washington, D. C.

Engaging Idea: Advertisers To Grade Magazine Readers

THE AMERICAN Association of Advertising Agencies is going to do some brand new research. The study will be "national in its scope," says *Printers' Ink*, and "will concern itself with those marketing problems that are common to all advertisers and agencies, the distribution of buying power, a qualitative analysis of circulations, the accessibility of markets and the most economical methods of reaching them. A study of circulations will probably be the first definite task undertaken in this program."

The retiring president of the association, Mr. Stanley Resor, is quoted as saying: "Naturally it will concern itself with publications, but its analysis in this field will of necessity be qualitative in character. At the present time the Audit Bureau of Circulations gives a satisfactory quantitative measurement of publications in this country and Canada. It does not attempt to set a value on the quality of the markets which certain publications reach or to grade markets."

A study of such promise should be of great value not only to those who engage in advertising but, perhaps especially, to all who engage those engaged in advertising.

Skilled Help from Abroad To Be Had for the Asking

MORE and more we seem to be coming to see the value of selecting our immigrants. Under the immigration act, it is permissible for specific industries to make application for skilled workers, says *Engineering and Mining Journal* Press.

Some industries have already been granted such requests—Michigan copper-mining companies wish to bring in skilled miners, chiefly from Cornwall, England; Germans skilled in the manufacture of dyes, textile specialists, and experts in electrical equipment manufacture, have been requested by other concerns; and *Engineering News-Record* reports that the Department of Labor has filed an application for "one hundred Germans who will qualify before American consuls as skilled farmers," to be settled on cut-over lands in the south.

France Catching Labor, Too: Has Trouble Holding Them

FRANCE has been importing foreign labor for both her reconstruction and her usual industries, says *Factory*. There is much smuggling of workers. During the first six months of 1924, 100,000 more workmen entered than

WAS THERE WISDOM IN WHISKERS?



Men have tried in many ways, from the days of Homer down to the era of tintypes and trombones, to find a justification for whiskers. In ancient Rome, when the head of the house wore the family tablecloth as a street suit, poets thought whiskers made them look wise.

Thus people were able to avoid bards who were determined to recite their poetry.

Later, when the coach-and-four indicated social prominence, men of fashion utilized their whiskers as ornamental shrubbery; but such things could not go on.

Set a portrait of the man who shaves himself daily beside a picture of his be-whiskered ancestor, and you will see how little there was in the idea that hair upon the face imparted dignity or symbolized wisdom.

COLGATE'S for better shaving

Daily comfort is assured by the use of Colgate's Rapid-Shave Cream. It makes a close, moist lather which softens the beard instantly *at the base*, where the razor's work is done.

There is no need, when you use Colgate's, of mussy rubbing in with the fingers. It leaves the face soothed and velvety.

Let us send you a free trial tube of this marvelous cream—enough for 12 better shaves than you have ever had. Just fill out and mail the coupon.



COLGATE & CO.
Dept. 354
199 Fulton St., New York

Please send me the free trial tube of Colgate's Rapid-Shave Cream for better shaving.

Name _____

Address _____

State _____

All-Expense Personally Conducted Wonder Tour of Mexico!

(Mexican Government Co-operating)

Leave Chicago and St. Louis

January 5, 1925

February 2, 1925

A special train of modern Pullman cars with standard sleeper, drawing room, compartment, club and observation accommodations, and dining car service, will depart from Chicago and St. Louis, January 5 and February 2, 1925, with connections from Memphis, for an extraordinary tour of Mexico, a three weeks' trip, visiting points of commercial and tourist interest.

In Mexico the party will be under the guidance of Mexican and American Railway representatives.

A similar tour also will be operated starting on March 2, 1925.

For descriptive literature, cost and full information, write—

C. L. Stone
Pass. Traf. Mgr.
Missouri Pacific R. R.
St. Louis, Mo.

or
Geo. J. Charlton
Pass. Traf. Mgr.
Chicago & Alton R. R.
Chicago, Ill.

T. & P.—L. G. N.—NAT'L RYS. OF MEXICO



Low Power Rate

RELIABILITY—No user of our electric power has ever had to curtail production during any fuel shortage.

CAPACITY—32,500 horsepower, large enough to supply electric steel furnaces.

RATES—Comparable with those of large industrial centers—75% of Marion's industries electrified.

Perhaps your requirements can be met in Marion. May we send our booklet or prepare a survey for you?

ECONOMICAL
LABOR

5 RAILROADS

2 INTERUR-
BANS

IDEAL HOUS-
ING

BUILDINGS
and SITES
AVAILABLE

The Chamber of Commerce
MARION, OHIO.

When writing to Missouri-Pacific Railway and Marion Chamber of Commerce please mention Nation's Business

left the country. Statistics are said to show that over a million more are needed, however.

The Manchester Guardian Weekly points out that some 1,500 Polish recruits, especially women and girls, were diverted to Denmark for better wages, even after their fare to French points had been paid, thus greatly upsetting the French employers and causing a scramble for help.

Hoover's Great Work Wins Appreciation in Trade Press

AN OUTLINE of some of the remarkable achievements of Secretary Hoover and the Department of Commerce is given with appreciation by *Coal Age*. From being limited to rather "stereotyped tasks" the department "has become a vivid, powerful and indispensable force in American business."

Mr. Hoover has done so much for trade promotion that "new business secured during the last fiscal year, as a result of suggestion or help from the Bureau of Foreign and Domestic Commerce, totaled \$529,000,000." This one accomplishment alone would command attention.

But there is also the "protective service" of the same bureau; and the reorganization into "commodity divisions"—rather than regional sections—which "maintain the closest possible contact with the individuals and with the associations in a particular industry"; there is the series of studies on those raw materials which are "subject to arbitrary control abroad to the detriment of American consumers"; there is the effort to reduce wastes in distribution, and the development of Simplified Practice to cut down waste in industry.

It is under Mr. Hoover's direction that "the Bureau of Standards, the greatest physical laboratory in the world, has taken on new life," and given us "improved methods of production." There is Mr. Hoover's report on unemployment which "carried conclusive evidence that periods of depression are the natural outcome of a period of speculation and waste." But above all outstanding in its influence for good, concludes the journal, is the Secretary's promotion of constructive self-government in industry. In Mr. Hoover's now famous words: "The test of our whole economic and social system is its capacity to cure its own abuses."

Look at Increase in Taxes! Government Expenditure Huge

ATHOROUGH-GOING study of government expenditure and also of our tax burden has been made by the National Industrial Conference Board. It is stated by *Farm Implement News* that the study reveals "government expenditures in 1923 were 10,045 millions or 15 per cent of the total national income of that year."

Comparing the government expenditure of 1923 with that for 1902 and for 1890, "the board finds that in 1923 governmental expenditure was more than three and one-half times greater per head of the population than in 1902 and more than five and one-half times greater than in 1890."

Of these 10,045 millions spent in 1923, 3,459 were spent by the Federal Government. "The state governments spent 1,450 millions and local governments disbursed 5,136 millions. An idea of the magnitude of these figures may be gleaned from the fact that the combined disbursements of all governmental units in this country in 1923 was equivalent to 93 per cent of the total amount paid out in wages and salaries in 1921 by all manufacturing plants in the country covered by the census of manufacturers."

As to taxation *The Commercial & Financial Chronicle* has some excerpts from this valuable study: The board "places the total taxes raised in 1923 at 7,716 millions, against 6,691 millions in 1922." And, to show what proportion goes for pensions and what to public debt, and how much over and above this is subtracted from use in industry: "In 1913 the federal, state and local governments disbursed 208 millions on account of pensions and 224 millions for interest on public

indebtedness. In 1923 these amounts were, respectively, 330 millions and 1,447 millions. After deducting these respective amounts from the national tax burden for the years in question, it is found that the increase in the revenue taken away from industrial uses was 237 per cent compared with a growth of 252 per cent in the gross amount of taxation during the same period. It is, therefore, an unquestioned fact, states the board, that the burden of taxation on industry, using this term in its widest sense, measured in terms of dollars, is three and one-half times as high as before the war and, measured in terms of comparable purchasing power, this burden is two and one-half times as high as it was in 1913. Taxes raised by the Federal Government totaled 2,802 millions in 1922 as against 3,223 millions in 1923; taxation raised by city governments increased from 858 millions in 1922 to 882 millions in 1923; and taxes raised by all governmental authorities showed an increase from 3,301 millions in 1922 to 3,601 millions in 1923."

As regards the proportion of taxes to income, the journal quotes again: "In 1890 all taxes represented 7.2 per cent of the national income; in 1903, 6.7 per cent and in 1913, 6.4 per cent. There was more or less the tendency throughout the world, for national wealth and income had been growing faster than the tax burden. During the war the tax burden began to grow much more rapidly than the national income, so that by 1919 the ratio of taxes to income was 12.1 per cent; by 1921 it had increased to 16.7 per cent; but by 1922, it declined to 12.1 per cent, and by 1923 to 11.6 per cent. Thus about one-eighth of the national income goes toward the support of governmental authorities in this country as compared with one-sixteenth before the war."

And—worst of all: "Because the recession of national income in 1924 is likely to be appreciable as compared with 1923, and in view of the continued rise in the volume of state and local taxation, the opinion is expressed that it is highly probable that the ratio of taxes to income will be higher in 1924 than in the preceding year."

Electric Hand Saw on Market— Cuts Composition, Wood, Metal

A POWER hand saw has been invented which easily "takes care of what is known as 3-inch dressed lumber," says *The American Contractor*. The tool "is 19 inches long, 4 inches wide, and 3 inches high." It "is equipped with an 8-inch diameter steel saw or an elastic abrasive disc, cutting 3/4 inches of lumber" and is described as "a portable electrically driven saw for use in cutting wood, building compositions, and metal. A front guide, on which the saw rests, glides over the surface of the work. . . ." It weighs only 14 pounds, and has a "6-ampere Hart and Hegeman trigger switch and 15 feet of attachment cord."

Seekers After Truth Find Facts Not to Be Sneezed At

THERE is a Netherlands Chamber of Commerce in New York which has published some valuable statistics about the exports of Java. The chamber is reported by *Drug & Chemical Markets* to have issued a bulletin recently about the shipment of 7,534 tons of black pepper from Java, in which this scholarly conclusion is set forth: "We have figured it out on our adding machine, which is guaranteed against making mistakes, that if every man, woman and child in the United States took one sniff of Java pepper every hour, until the total amount of pepper imported from there into this country during one year was exhausted, this country would sneeze for two years and 150 days."

Now, are they making fun of research? Or of chambers of commerce? Or just making fun? At any rate, it is inspiring:

Here's a sneeze for every breeze to good old Java! To the land of batik, dancing, Mocha And.

But the place to find the pep (If the statistician's hep) Is a sober research artist's White Mule brand.

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ONE reason why the Bell Telephone Company is gradually installing automatic switchboards to replace girl operators is that they anticipate increasing difficulty in obtaining enough operators of the intelligence such work requires. In other words, their demand for competent operators will run ahead of the increase in population. The last few years has shown an increased general demand for women workers, thus setting up more competition for the kind of girls capable of being good operators. Moreover, there is grave fear that of all girls obliged to enter employments, those too dull-witted to be good operators will increase more rapidly than the bright ones.

The following figures will give an idea of the situation: In 1920, the Bell System employed approximately 125,000 operators and by 1930, on an annual basis, at least 200,000 operators would be needed. The problem varies in different cities, but, in one of the largest, it is estimated that while workers of the group from which operators are recruited will increase 13 per cent in the ten-year period, requirements for telephone operators would increase 65 per cent.

YOU rarely see a fat man among employees about a stock broker's office. They are usually without the ridiculously oversized waistline so common among other business men. I wonder if this isn't partly because men in brokers' offices have no opportunity to go out to lunch? They are obliged to stay on the job until after the market closes in the middle of the afternoon.

Hence they must have lunch sent in and usually it is not much more elaborate than a sandwich or possibly crackers and milk. Some years ago the superintendent of the New York stock exchange luncheon club remarked that he averaged four hundred orders of crackers and milk every noon. Floor brokers on the job from ten to three had to keep one eye on the call board even while eating and had no time for gluttony. Thus they avoided the sagging paunches of men who hold three-hour "conferences" over their luncheon.

THE great trouble with a three-hour luncheon conference is that it requires three hours more on the golf links to even up.

WHILE more patents are granted each year, this doesn't mean that each year sees an increase in the number of smart men capable of inventing new devices. It is simply that every new contrivance suggests others. Imagine the number of inventions that have been inspired by the storage battery! Because every invention is a gradual evolution due to what has been invented before, and also to public need of a new article, it often happens that two or more inventors working independently bring out the same

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idea at the same time. The telescope was claimed by several.

Alexander Graham Bell was only a few hours ahead of Elisha Gray in recording his invention of the telephone and the question of right to a monopoly on the patent was long in litigation. Daguerre, Niepce and Talbot each invented photography in 1839. Two besides Edison claimed invention of the phonograph in 1877. Beach and Wheatstone were rival claimants for the typewriter, as were Wheatstone and Elliott for the stereoscope. Litigation over Daimler and Selden patents for the gas engine is well known to the present automobiling generation.

Even the theory of acquired characteristics was worked out at practically the same time by both Darwin and Lamarck. Neither had previous knowledge of the other's investigations. None of the inventors mentioned stole anything from his rival. Each hit on a clever idea because it was the next logical step beyond what had gone before.

NEW ideas are rarely as useful as assembling and making full use of facts already well known. The most successful inventors rarely contrive anything entirely new. Before the first telegraph instrument was used there had already been electricity, coils, batteries, and sound contrivances, such as the electric bell. Even the code was not really new for it had its predecessor in signaling. It was putting these many ideas together that made them important.

THE *Photo-Play Magazine* recently had conducted an investigation to learn of the so-called age factor in retail selling. Their real idea, presumably, was to find out how much influence motion pictures have on sales of clothing and other articles. It is said that the wearing of golf clothes instead of merely one's other suit was greatly increased because of snappy golf outfits seen on films. Likewise, young girls seek to emulate screen beauties in choice of appealing lingerie. Be that as it may, the age factor investigation showed that by far the most important group of buyers are aged between 18 and 30. Even if father is buying a piano or automobile he is greatly influenced in his choice by those of his family between 18 and 30. Merchants say that if mother goes with her young daughter to buy daughter a dress and they don't agree, they almost invariably compromise on the dress that daughter prefers. Since young people have this influence on buying and also are the most numerous patrons of movie theaters, there is reason to believe that motion pictures probably do have more influence on retail merchandising than has been suspected.

WHEN a hotel credit department asks you for references and you give the name of your bank, the hotel does not ordinarily write to that bank. They know that a bank will be unlikely to write back anything very unfavorable about a customer. Instead they have their representative in that town, probably a lawyer, go to the bank and talk with officers there whom he knows personally. The bankers will talk to him much more freely and more truthfully than they would write in a letter to a stranger.

ONE OF the roulette dealers at a famous American gambling casino told me recently that he is frequently surprised at the discovery of one more successful business man who is absurdly superstitious. Men whose names are at the top in the business world often have a barbaric belief in luck—

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that certain numbers are lucky for them while others are not. He added that numerous nationally famous industrial magnates who love to gamble are ashamed to do so in public and insist on playing roulette in private rooms.

FOR SOME time it has seemed to me that business men in their clubs, at luncheon and elsewhere, are smoking fewer cigars than they once did, and substituting cigarettes. After talking with a man at lunch the host perhaps hands him a cigar. It would be cheaper just to offer him a cigaret. And that is what it seemed to me men have fallen into the way of doing. I asked a cigar dealer if increased cigaret sales are reducing cigar sales. He insisted that they are not. Still unconvinced, I took the trouble to look up the figures on total cigar and cigaret sales in the United States as gathered by the Collector of Internal Revenue. Sure enough, sales of cigars on the average for the last three or four years have been falling off while cigaret sales have increased.

BUSINESS men naturally write more letters than any other group and consequently have the power greatly to influence letter-writing customs, including the spelling of words in every-day use. If they saw fit to drop silent letters and adopt scientific spelling, this would soon become universal practice. Today one-seventh of all English writing is made up of silent letters. Hence we waste one-seventh of all paper, ink, type-writing, composition, proofreading—in short, of everything connected with writing and printing, to say nothing of the time of both writer and reader. One beautiful spruce tree out of every seven cut into pulp wood goes into paper to carry silent and unnecessary letters.

FRED M. WITHEY, vice-president of the National Surety Company, declared recently in a speech that the man with a hobby is an unusually good moral risk because he is too much engrossed in his pet subject to try to steal other people's money. To which it may be added that recent investigations into characteristics of exceptionally brilliant school children show a strong tendency for such children to make collections of stamps, coins, or other articles. The explanation is that the collecting habit springs from an orderly mind—a desire to have articles properly grouped.

I NOTICE in newspapers that suspender manufacturers report a healthy increase in their business. Yet who wears suspenders in these days of belts? Of a fairly large circle of acquaintances, the only man I know who actually prefers suspenders to a belt is Chic Sale, the vaudeville star.

FROM China come reports that bobbed hair is hurting the Chefoo hair trade. How glad I am that my income doesn't depend on the caprice of lovely woman regarding her hair.

I RECENTLY heard a large, pompous woman customer haughtily trying to impress a quiet little sales girl in the dress department of a big middle western store. "Rully, rully," she said, in a throaty voice. "I doubt if you have anything here that would suit me. I think I'll just wait until I'm back in New Yawk."

After the customer had duck-footed out, the little salesgirl turned to one of her associates and observed:

"That old egg think's she's slumming."

THE NEW YORK TIMES, MONDAY, OCTOBER 27, 1924.

27

JOHN MCCORMACK
SINGS IN PRIME FORMRepeats to Mary Keefe for
His Irish Ballads and
Other Ballads.

John McCormack's appearance in the concert hall of the Metropolitan Opera House last night was a triumph for the Irish ballad singer. He sang to a full house of 2,000 people, and his performance was a triumph for the Irish ballad singer. He sang to a full house of 2,000 people, and his performance was a triumph for the Irish ballad singer.

"ARE YOU FOR BIG BUSINESS OR FOR THE PEOPLE?"

A reader asked this question. His letter was dated at Oberlin, Ohio. The editor of NATION'S BUSINESS wrote to him in reply: "Before answering, we should like to ask you a question in turn. We don't know the size of your business; we don't know if it is \$10,000 or \$50,000 a year. We don't know if you are satisfied with it, or whether—in common with most normal Americans—you are putting forth greater efforts to attain greater things.

"But, as you go ahead, where is the dividing line that marks the danger to society?"

"Where does your honorable business become dishonorable on account of its bigness? At what point does success become sinister?"

"Just west of Oberlin is a farmer named Jones, crippled by paralysis since a baby, who made such good sausage that today he ships it into every State. Just east of Oberlin, a Mr. Davey took such good care of his neighbors' trees that the nation heard of him and his work, and beat a path to his door. And to the northeast, a poor candy-maker named White, in Cleveland, observed us chewing sticks and straws, capitalized this idiosyncrasy, and built up the chewing gum industry.

"At what point did Mr. Jones leave off being a good citizen—was it when he extended his business outside his village, his country, or his State? At what point did Mr. Davey become a menace—when he started to doctor trees outside of Kent, or outside of Ohio? And Mr. White? As he peddled his gum from store to store, he was not a pernicious Big Businessman. At what stage of his way to international trade and a necessary financial office in New York's

Wall Street district did he lay aside his virtue and fair dealing?"

"What are we fathers to tell our small boys, who are already dreaming big dreams of accomplishment, spurred on by everybody to 'get ahead,' 'be successful'? Must we say to them, 'Thus far you may travel, and no farther! If you go beyond, you will suffer the slings and arrows of outraged public sentiment. You and yours will be crucified as undesirable; politicians will find your most worthy acts have a sinister motive.'"

"If you still insist on an answer to your question: Are you for Big Business or for the People? we shall have to say: 'We are for both.' And we are for Small Business too—the small business which sees a shining goal, and strives to attain it. Don't take this away from America, please, because it is the opportunity of the individual, and individualism is the very heart and soul of America."

NATION'S BUSINESS is a magazine founded on the belief that anything which is not for the public good is not for the good of business. It is published in Washington by the largest business organization in the country, and it voices authoritatively the relationship of one business to another and of all business to government.

THE NATION'S BUSINESS



MORRIS THOMAS, Editor

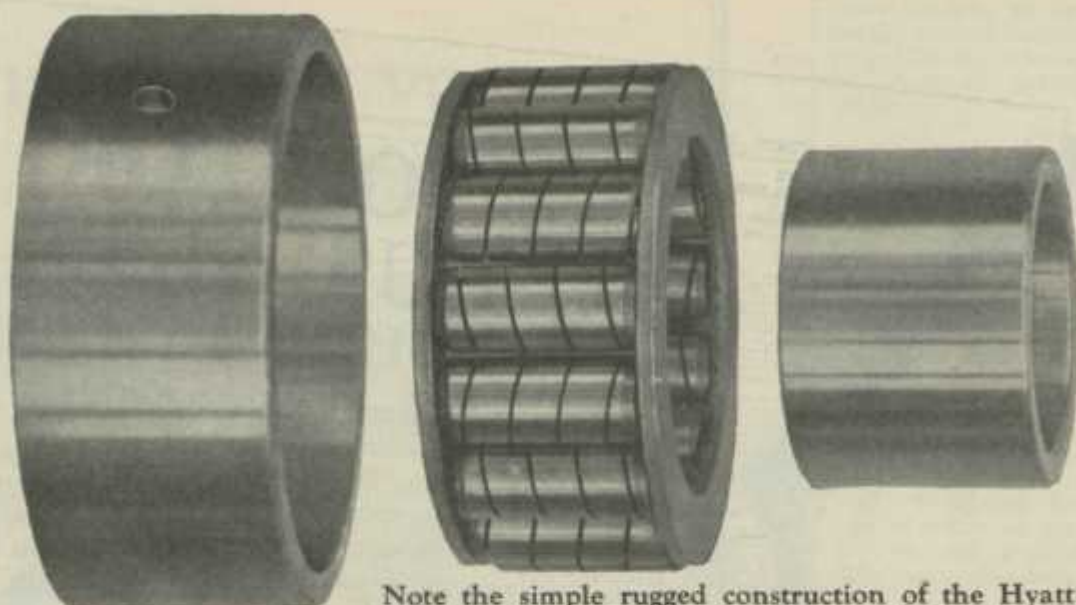
PUBLISHED MONTHLY BY THE CHAMBER OF COMMERCE OF THE UNITED STATES, WASHINGTON, D. C.

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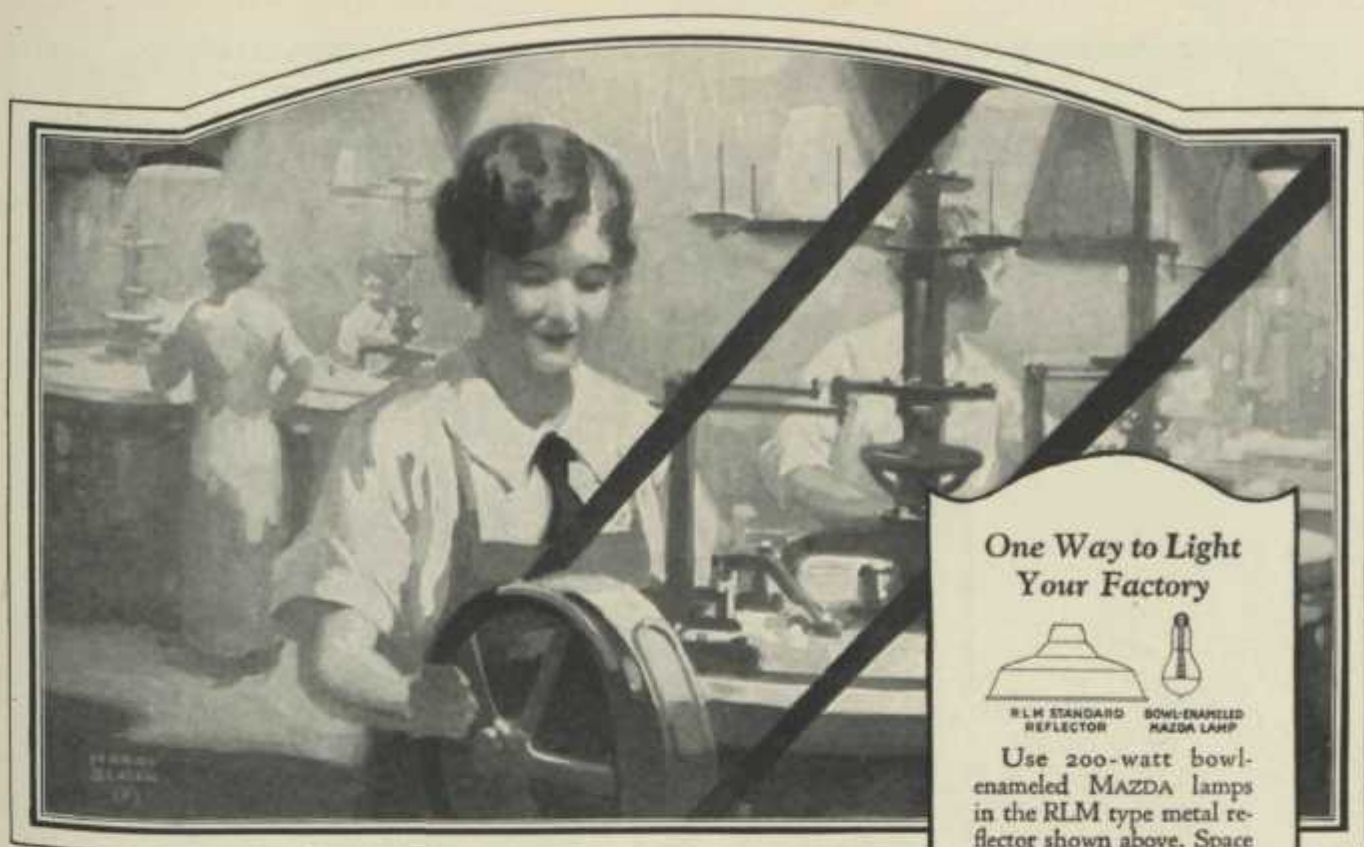
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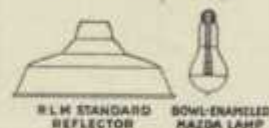
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